USI HOLDINGS LIMITED
富聯國際集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 369)

2009 INTERIM RESULTS ANNOUNCEMENT

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2009, although the global economy has shown signs of recovery as recessionary pressures ease, there is still uncertainty as to whether the current economic rebound will be sustainable. The operating environment for the Group's businesses during the period remained challenging. The Group recorded net profit of HK$7.0 million during the period which represented a drop of 98% over that of last year due to a lack of property sales revenue and a soft leasing uptake of Landmark East.

While the local residential property market began to stabilise in the first three months of 2009 and rebounded strongly in the second quarter, leasing demand for commercial properties remained weak throughout the period under review.

Forfar, the latest development launched by the Group in Hong Kong, is specially targeted at the high end luxurious market with unit sizes ranging from 2,300 to 2,500 square feet. Featuring a full curtain wall architecture designed by world renowned architect, Arquitectonica, the development highlights the newest residential concept of the Group and is set to become an iconic landmark in the traditionally exclusive residential area. Because of this new concept, the launch has successfully attracted both investors and end-users with 60% of the units sold within two weeks. The Group's other residential property projects are progressing according to plan and are expected to come on stream for launch within the next eighteen months.

* *For identification purpose only*

Our newly launched commercial property, Landmark East, was faced with a drop in office demand resulting from the financial crisis and increased supply of office space in the Kowloon East area. Rental uptake has been slow.

However, the other properties on our investment portfolio continued to deliver stable recurring income to the Group. W Square continued to be over 95% leased, confirming its position as an attractive alternative for multinational companies looking for quality office space at competitive cost. Average occupancy of the Group's industrial properties during the period decreased only slightly and still held on to a satisfactory level of about 90%.

Asia's hospitality industry has been adversely affected by the global economic downturn and the H1N1 flu virus during the period. Despite this difficult operating environment, the Group's serviced apartment operations continue to deliver outstanding results. Our newest property, Lanson Place Central Park in Beijing, has outperformed the Beijing serviced apartment market by achieving 80% occupancy in 12 months since its full opening in September 2008. Our Shanghai property, Lanson Place Jin Lin Tian Di, continues to lead the Shanghai serviced apartment market by maintaining over 80% occupancy. These results demonstrate the robustness of the Group's serviced apartment operating model.

Although the operating environment in the first half of 2009 was challenging, we believe the solid foundation that we have laid down for our business in the past years will help position the Group for opportunities that lie ahead when the market recovers. I would like to take this opportunity to thank our staff and shareholders for their loyalty and dedication during such difficult time.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 4 September 2009

INTERIM RESULTS

The Board of Directors (the "Directors") of USI Holdings Limited (the "Company") presents the unaudited condensed consolidated interim financial information ("Interim Financial Information") of the Company and its subsidiaries (the "Group"), and its jointly controlled entities for the six months ended 30 June 2009.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

		Unaudited	
		Six months ended 30 June	
		2009	2008
	Note	*HK$'M*	*HK$'M*
Revenue	*3*	417.0	749.9
Cost of sales		(228.1)	(416.6)
Gross profit		188.9	333.3
Other gains, net		77.6	38.3
Selling and distribution costs		(69.1)	(64.9)
Administrative expenses		(112.2)	(169.4)
Change in fair value of investment properties		(8.0)	358.9
Profit from operations	*4*	77.2	496.2
Finance income		15.2	18.0
Finance costs		(41.9)	(34.2)
Share of results of associates		(5.2)	1.8
Profit before taxation		45.3	481.8
Taxation	*5*	(16.4)	(43.0)
Profit for the period		28.9	438.8
Attributable to:			
Equity holders of the Company		7.0	328.7
Minority interests		21.9	110.1
		28.9	438.8
Dividends	*6*	29.6	98.8
Earnings per share for profit attributable to equity holders of the Company (expressed in HK dollar per share)	*7*		
– Basic		HK$0.01	HK$0.33
– Diluted		HK$0.01	HK$0.33

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Unaudited Six months ended 30 June 2009 *HK$'M*	2008 *HK$'M*
Profit for the period	28.9	438.8
Other comprehensive income, net of tax:		
Exchange differences on translation of foreign operations	(8.0)	26.8
Net (loss)/gain on cash flow hedge	(3.9)	5.4
Net surplus/(deficit) arising on revaluation of available-for-sale financial assets	33.2	(15.3)
Loss on disposal of available-for-sale financial assets	-	(28.5)
Gain on disposal of subsidiaries	-	0.6
Other comprehensive income/(loss) for the period, net of tax	21.3	(11.0)
Total comprehensive income for the period	50.2	427.8
Attributable to:		
Equity holders of the Company	22.1	315.4
Minority interests	28.1	112.4
	50.2	427.8

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2009

	Note	Unaudited 30 June 2009 *HK$'M*	Audited 31 December 2008 *HK$'M*
ASSETS AND LIABILITIES			
Non-current assets			
Leasehold land and land use rights		41.5	41.8
Investment properties		10,096.5	10,098.1
Other properties, plant and equipment		219.1	181.5
Interests in associates		609.0	609.6
Available-for-sale financial assets		331.8	301.2
Deferred tax assets		9.0	9.7
Loans and receivables		378.2	273.3
Held-to-maturity investments		28.2	25.4
		11,713.3	11,540.6
Current assets			
Inventories		124.8	87.5
Properties for sale		3,249.4	3,115.9
Loans and receivables		24.8	23.4
Trade and other receivables, deposits and prepayments	*8*	251.6	435.5
Available-for-sale financial assets		3.3	2.9
Derivative financial instruments		-	0.6
Sales proceeds held in stakeholders' accounts		3.2	-
Amounts due from associates		2.2	0.5
Tax recoverable		4.1	4.7
Pledged bank deposits		80.8	80.2
Bank balances and cash		566.0	496.2
		4,310.2	4,247.4
Current liabilities			
Trade and other payables and accruals	*9*	692.7	741.6
Derivative financial instruments		40.0	40.4
Amounts due to associates		19.4	19.5
Tax payable		66.5	59.9
Short-term bank borrowings and overdrafts		4.5	0.6
Bank loans due within one year		651.9	489.0
		1,475.0	1,351.0
Net current assets		2,835.2	2,896.4
Total assets less current liabilities		14,548.5	14,437.0

CONDENSED CONSOLIDATED BALANCE SHEET (cont'd)

As at 30 June 2009

	Unaudited 30 June 2009 *HK$'M*	Audited 31 December 2008 *HK$'M*
Non-current liabilities		
Bank loans due after one year	4,565.7	4,432.9
Derivative financial instruments	57.9	105.8
Other long-term loans	42.3	42.3
Deferred tax liabilities	1,182.7	1,175.8
	5,848.6	5,756.8
NET ASSETS	8,699.9	8,680.2
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	494.7	494.5
Reserves	6,733.5	6,724.0
	7,228.2	7,218.5
Minority interests	1,471.7	1,461.7
TOTAL EQUITY	8,699.9	8,680.2

NOTES:

1. Basis of preparation

This Interim Financial Information for the six months ended 30 June 2009 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2008.

The interim results for the six months ended 30 June 2009 are unaudited, but reviewed by PricewaterhouseCoopers, the Company's auditor in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of Entity" issued by the HKICPA. The interim results have also been reviewed by the Company's Audit Committee.

2. Significant accounting policies

The accounting policies adopted in the preparation of the Interim Financial Information are consistent with those adopted and as described in the Company's annual financial statements for the year ended 31 December 2008, except for the adoption of new standards and interpretations as of 1 January 2009, noted below.

The following new or revised standards are mandatory for accounting periods beginning on or after 1 January 2009 and were adopted by the Group in the current period:

HKAS 1 (Revised)	Presentation of financial statements
HKAS 23 (Revised)	Borrowing costs
HKAS 32 (Amendment) & HKAS 1 (Amendment)	Financial instruments: presentation & presentation of financial statements - puttable financial instruments and obligations arising on liquidation
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
HKFRS 2 (Amendment)	Share-based payment on vesting conditions and cancellations
HKFRS 8	Operating segments
HK(IFRIC)-Int 13	Customer loyalty programmes
HK(IFRIC)-Int 15	Agreements for the construction of real estate
HK(IFRIC)-Int 16	Hedges of a net investment in foreign operation
HKASs (Amendments)	Improvements to existing standards effective on or after 1 January 2009

Except for HKAS 1 (Revised) and HKFRS 8, the adoption of the other new or revised standards stated above did not have any significant impacts to the Group's Interim Financial Information in both periods.

HKAS 1 (Revised), "Presentation of financial statements". The revised standard separates owner and non-owner changes in equity. It requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Group has elected to present two statements. This Interim Financial Information has been prepared under the revised disclosure requirements.

HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14, "Segment reporting". It requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker who makes strategic decisions. This has not resulted in an increase in the number of reportable segments presented.

2. Significant accounting policies (cont'd)

The Group has not early adopted the following revised standards and interpretations that have been issued but are not yet effective for the period.

		Effective for accounting periods beginning on or after
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 39 (Amendment)	Financial instruments: recognition and measurement on eligible hedged items	1 July 2009
HKFRS 3 (Revised)	Business combinations	1 July 2009
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 May 2009 in response to the annual improvements project.

		Effective for accounting periods beginning on or after
HKFRS 2 (Amendment)	Share-based payments	1 July 2009
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2010
HKFRS 8 (Amendment)	Operating segments	1 January 2010
HKAS 1 (Amendment)	Presentation of financial statements	1 January 2010
HKAS 7 (Amendment)	Statement of cash flows	1 January 2010
HKAS 17 (Amendment)	Leases	1 January 2010
HKAS 36 (Amendment)	Impairment of assets	1 January 2010
HKAS 38 (Amendment)	Intangible assets	1 July 2009
HKAS 39 (Amendment)	Financial instruments: recognition and measurement	1 January 2010
HK(IFRIC) – Int 9 (Amendment)	Reassessment of embedded derivatives	1 July 2009
HK(IFRIC) – Int 16 (Amendment)	Hedges of a net investment in a foreign operation	1 July 2009

The Group is in the process of making assessment of the impact of these revised standards and interpretations and is not yet in a position to state whether they would have a significant impact on the Group's results and financial position.

3. Revenue and segment information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

In prior years' segment information reported externally and to the Group's management for the purposes of resources allocation and assessment of performance was the same and analysed on the basis of the Group's operating divisions (i.e. property development, property investment and management, hospitality investment and management, garment manufacturing and trading, branded products distribution and investing activities). As a result, following the adoption of HKFRS 8, the identification of the Group's reportable segments has not changed.

3. Revenue and segment information (cont'd)

For the six months ended 30 June 2009	Property development	Property investment and management	Hospitality investment and management	Garment manufacturing and trading	Branded products distribution	Investing activities	Elimination	Consolidated
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
Revenue								
External sales	5.4	135.5	43.5	122.5	101.2	8.9	-	417.0
Inter-segment sales	-	8.2	-	-	-	-	(8.2)	-
Reportable segment revenue	5.4	143.7	43.5	122.5	101.2	8.9	(8.2)	417.0
Results								
Segment results before change in fair value of investment properties	(8.2)	73.2	33.1	(22.5)	(4.4)	6.1	-	77.3
Change in fair value of investment properties	-	(7.8)	(1.1)	0.9	-	-	-	(8.0)
Reportable segment results	(8.2)	65.4	32.0	(21.6)	(4.4)	6.1	-	69.3
Fair value gain on derivative financial instruments								48.7
Unallocated corporate expenses								(40.8)
Profit from operations								77.2
Finance income								15.2
Finance costs								(41.9)
Share of results of associates	0.4	-	(1.5)	-	-	(4.1)	-	(5.2)
Profit before taxation								45.3
Taxation								(16.4)
Profit for the period								28.9
Other items								
Depreciation and amortisation	1.4	3.1	0.1	1.8	2.9	1.1	-	10.4
Write back of trade receivables	(9.8)	-	-	-	-	-	-	(9.8)
Provision for impairment of loan to an associate	-	-	-	-	-	1.6	-	1.6

3. Revenue and segment information (cont'd)

For the six months ended 30 June 2008	Property development	Property investment and management	Hospitality investment and management	Garment manufacturing and trading	Branded products distribution	Investing activities	Elimination	Consolidated
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
Revenue								
External sales	112.3	106.0	53.6	310.0	132.6	35.4	-	749.9
Inter-segment sales	-	4.2	-	-	-	-	(4.2)	-
Reportable segment revenue	112.3	110.2	53.6	310.0	132.6	35.4	(4.2)	749.9
Results								
Segment results before change in fair value of investment properties	67.3	70.7	34.1	(40.7)	(0.2)	35.8	-	167.0
Change in fair value of investment properties	-	233.9	125.0	-	-	-	-	358.9
Reportable segment results	67.3	304.6	159.1	(40.7)	(0.2)	35.8	-	525.9
Fair value gain on derivative financial instruments								12.5
Unallocated corporate expenses								(42.2)
Profit from operations								496.2
Finance income								18.0
Finance costs								(34.2)
Share of results of associates	5.2	-	2.0	-	-	(5.4)	-	1.8
Profit before taxation								481.8
Taxation								(43.0)
Profit for the period								438.8
Other items								
Depreciation and amortisation	-	0.5	1.5	5.5	3.8	1.2	-	12.5
Provision for trade receivables	-	-	-	1.3	-	-	-	1.3
Provision for impairment losses in respect of available-for-sale financial assets	-	-	-	-	-	0.1	-	0.1

3. Revenue and segment information (cont'd)

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 by geographical market Six months ended 30 June	
	2009	2008
	HK$'M	*HK$'M*
Hong Kong	181.0	261.5
North America	81.4	181.0
United Kingdom	96.0	151.7
Other areas	58.6	155.7
	417.0	749.9

4. Profit from operations

	Six months ended 30 June	
	2009	2008
	HK$'M	*HK$'M*
Profit from operations has been arrived at after charging/(crediting):		
Amortised income from held-to-maturity investments	(3.0)	-
Amortisation of trademark	0.1	0.1
Depreciation and amortisation of leasehold land and land use rights and other properties, plant and equipment	10.3	12.4
Gain on disposal of a subsidiary	-	(6.6)
Gain on disposal of available-for-sale financial assets	-	(2.8)
Loss on disposal of financial assets through profit or loss	-	0.7
Net fair value gain on derivative financial instruments	(48.7)	(12.5)
Net fair value loss on financial assets through profit or loss	-	0.7
Provision for impairment losses in respect of available-for-sale financial assets	-	0.1
Share-based compensation expense	2.4	2.0

5. Taxation

Hong Kong profits tax has been calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the period. Taxation on overseas profits has been calculated on the estimated assessable profits for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the condensed consolidated income statement represents:

	Six months ended 30 June	
	2009	2008
	HK$'M	*HK$'M*
Current taxation		
– Hong Kong profits tax	9.2	18.4
– Over-provision in prior years	(0.3)	(0.1)
– Taxation in other jurisdictions	(0.1)	1.0
	8.8	19.3
Deferred taxation		
– Origination and reversal of temporary differences	7.6	84.5
– Effect on tax rates change	-	(60.8)
	7.6	23.7
	16.4	43.0

6. Dividends

During the six months ended 30 June 2009, a final dividend of HK1.5 cents per share totaling HK$14.8 million in respect of the year ended 31 December 2008 (2007 final dividend: HK6.5 cents per share) was approved at the Company's annual general meeting held on 3 June 2009 and paid to the shareholders during the period.

At the Board meeting held on 4 September 2009, the Directors declared the payment of an interim dividend of HK1.5 cents per share totaling HK$14.8 million in respect of the year ending 31 December 2009 (2008 interim dividend: HK3.5 cents per share).

7. Earnings per share

The calculation of the basic and diluted earnings per share for profit attributable to equity holders of the Company is based on the following data:

	Six months ended 30 June	
	2009	2008
	HK$'M	*HK$'M*
Profit attributable to equity holders of the Company for the purposes of calculating basic and diluted earnings per share	7.0	328.7
Number of shares		
Weighted average number of shares for the purpose of calculating basic earnings per share	989,012,455	987,611,667
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	3,072,005	3,081,976
Weighted average number of shares for the purpose of calculating diluted earnings per share	992,084,460	990,693,643

8. Trade and other receivables, deposits and prepayments

	30 June 2009	31 December 2008
	HK$'M	*HK$'M*
Trade receivables	146.8	233.7
Less: provision for impairment	(23.1)	(36.2)
Trade receivables (net of provision)	123.7	197.5
Other receivables, deposits and prepayments	127.9	238.0
	251.6	435.5

8. Trade and other receivables, deposits and prepayments (cont'd)

The Group allows different credit periods to its customers. Credit periods vary from 30 to 90 days in accordance with the industry practice. The following is an ageing analysis of the Group's trade receivables (net of provision) at the balance sheet date:

	30 June 2009 *HK$'M*	31 December 2008 *HK$'M*
Not yet due	9.4	80.3
1 – 30 days	55.0	49.7
31 – 90 days	20.4	58.3
Over 90 days	38.9	9.2
	123.7	197.5

9. Trade and other payables and accruals

	30 June 2009 *HK$'M*	31 December 2008 *HK$'M*
Trade payables	96.4	106.1
Other payables and accruals	596.3	635.5
	692.7	741.6

The following is an ageing analysis of the Group's trade payables at the balance sheet date:

	30 June 2009 *HK$'M*	31 December 2008 *HK$'M*
0 – 30 days	73.6	92.2
31 – 90 days	13.2	10.8
Over 90 days	9.6	3.1
	96.4	106.1

INTERIM DIVIDEND AND RECORD DATE

The Directors declared the payment of an interim dividend of HK1.5 cents per share for the year ending 31 December 2009 (2008: HK3.5 cents). The interim dividend will be distributed on or around 13 October 2009 to the shareholders whose names appear on the register of members of the Company at the close of business on 28 September 2009 (the Record Date).

In order to qualify for the entitlement of the interim 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 28 September 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

For the first half of 2009, the Group reported consolidated profit attributable to equity holders of the Company of HK$7.0 million, compared with HK$328.7 million in 2008. The decrease in profit was mainly due to a lack of fair value gain from the Group’s investment properties and lower property sales recognised during the period. Revenue for the Group was HK$417.0 million in the first half of 2009, compared with HK$749.9 million in 2008.

Property

The Group’s property division, which includes property development, property investment and management, and hospitality investment and management, recorded segment profit of HK$89.2 million in the first half of 2009, compared with HK$531.0 million in the first half of 2008.

Property Development

Our residential development, Forfar, at 2 Forfar Road in Kowloon Tong, obtained pre-sale approval in June 2009. The development was launched for pre-sale in late June and approximately 60% of the units have been sold to-date, a testimony to its superior quality and design.

Foundation works for the Seymour Road project in Mid-Levels are progressing according to the development’s master program. Superstructure works are expected to commence in the first half of 2010. This project, which the Group has a 30% interest, is expected to be completed in 2011.

The construction of the Tai Po Town Lot Nos 186, 187 and 188 is progressing according to plan where foundation works are nearing completion and superstructure works are expected to commence in the second half of 2009. These projects are expected to be completed between 2011 and 2012. The Group has a 15% interest in each of the three sites.

The Group’s interest in the luxurious residential development, Belle Vue Residences, is held through its subsidiary, Winsor Properties Holdings Limited (“Winsor Properties”). The project has a total saleable area of about 433,000 square feet, and approximately 56% of the units have been sold to-date since its pre-sale launch. The development is scheduled for completion in the first half of 2010. Winsor Properties has a 30% interest in this project.

For the Shenyang joint venture residential development, the design for the initial phases of two sites has been completed and construction work is under planning.

Property Investment and Management

The Group’s interest in the commercial, industrial and retail properties in Hong Kong is mainly held through Winsor Properties. As at 30 June 2009, the Group’s portfolio of investment properties had an aggregate site area of about 3.5 million square feet, of which 1.4 million square feet are Grade A office building and retail spaces, with total fair market valuation of HK$8,704.7 million.

Landmark East, a premium twin-tower office development, was completed and launched into the market in the last quarter of 2008. Given the abundant supply of office space in Kowloon East and the uncertain operating environment, the rental and vacancy uptake are slower than the Group’s expectation. W Square in Wan Chai was over 95% leased.

As at 30 June 2009, the Group’s portfolio of industrial properties had an aggregate fair market valuation of HK$2,305.7 million. Average occupancy of these industrial properties decreased by a few percentage points during the period under review but remained at a satisfactory level of about 90%.

Hospitality Investment and Management

During the period, the global recession and the H1N1 flu virus have adversely affected the hospitality industry in Asia where Lanson Place operates. However, Lanson Place Central Park in Beijing, which has been achieving good occupancy levels since its formal opening in September 2008, continued to perform well during the period.

In January 2009, the Group entered into a 10-year management contract for a serviced residence in Pudong, Shanghai, which is scheduled to open by the end of 2009. Including this contract, Lanson Place has a total of eight management contracts in Hong Kong, China and South East Asia.

Apparel

The Group’s apparel operation, which comprises garment manufacturing and trading, and branded products distribution, generated aggregate revenue of HK$223.7 million in the first half of 2009, compared with HK$442.6 million in 2008. Segment loss for the period narrowed to HK$26.0 million from HK$40.9 million in 2008, due mainly to seasonality in the sweater business.

All loss-making manufacturing and trading business units were closed and sold in 2008. In the first half of 2009, the apparel operation was faced with a severe slowdown in the retail industry globally, especially in the United States and the United Kingdom.

Investing Activities

The Group’s investing activities reported segment profit of HK$6.1 million in the first half of 2009, compared with HK$35.8 million in 2008. The drop in segment profit was due to lower dividend income from the Group’s investments held through Winsor Properties.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK$8,699.9 million as at 30 June 2009 (31 December 2008: HK$8,680.2 million). The increase was mainly resulted from the profit for the period of HK$28.9 million and the distribution of the 2008 final dividend of HK$14.8 million in the first half of 2009.

As at 30 June 2009, the Group's net borrowings (total bank borrowings and other long-term loans less bank balances and cash) was HK$4,698.4 million (31 December 2008: HK$4,468.6 million), representing 54.0% of the Group's net assets (31 December 2008: 51.5%). The increase in net borrowings and gearing ratio was mainly due to increase in construction loans on property development projects in the first half of 2009. Interest for the Group's bank borrowings was mainly on a floating rate basis. Around 87.4% of the Group's bank borrowings was repayable in periods beyond one year. The Group had unutilised general banking facilities in excess of HK$885.4 million as at 30 June 2009 (31 December 2008: HK$982.3 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 and United States Dollars. 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 30 June 2009, the Group’s contingent liabilities were guarantees given to banks of HK$427.8 million (31 December 2008: HK$420.6 million).

Pledge of Assets

At 30 June 2009, the Group’s advances to associates/jointly controlled entities of HK$1,468.7 million (31 December 2008: HK$1,158.6 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$1,468.7 million (31 December 2008: HK$1,158.6 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 30 June 2009, certain of the Group's investment properties, freehold properties, leasehold land and land use rights, leasehold buildings, available-for-sale financial assets, properties for sale and bank deposits with carrying values of HK$9,994.3 million, HK$52.6 million, HK$38.1 million, HK$80.4 million, HK$108.9 million, HK$3,078.0 million and HK$80.8 million respectively were pledged to secure credit facilities for the Group.

PROSPECTS

For the second half of 2009, we expect there to be gradual improvement in our operating environment on the back of a stabilising global economy.

Given the short supply of new residential properties in Hong Kong, we believe there will continue to be market opportunities for us to launch our residential projects successfully. The Group sold 60% of the units in Forfar project in its initial launch in late June. Revenue from these sales and any further pre-sales will be recognised once the occupation permit is obtained which is expected to be before the end of 2009.

The operating results for Landmark East are likely to continue to improve with ongoing leasing uptake. We are confident that Landmark East will be able to attract more tenants with its premium quality office spaces. Already we are seeing increasing decentralisation of offices from the traditional commercial districts to Kowloon East.

Lanson Place is expected to continue to perform well in the second half of 2009. Our serviced apartment operation has a sound business platform and an experienced management team with proven track record. With the global economy showing signs of stabilising, Lanson Place is well positioned to capture the next phase of growth.

Over the past three years, we have established a stronger and broader business platform that helps ensure a more stable recurring income for the Group. On the strength of this foundation, we are confident that the Group is well positioned to seize opportunities that lie ahead and improve its business performance when the market recovers.

EMPLOYEES

As at 30 June 2009, the Group had about 1,800 staff and workers for its operations in Hong Kong, China and the United Kingdom. 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 retirement benefit scheme for its employees in China and 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 six months ended 30 June 2009 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.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct for securities transactions by directors of the Company.

All the directors have confirmed, following specific enquiry by the Company, that they have fully complied with the required standard set out in the Model Code throughout the period from 1 January 2009 to 30 June 2009.

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

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares.

PUBLICATION OF INTERIM REPORT

The 2009 interim report will be dispatched to shareholders of the Company and available 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 by the third week of September 2009.

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

Hong Kong, 4 September 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