USI Holdings Limited
富聯國際集團有限公司*

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

2009 ANNUAL RESULTS

CHAIRMAN'S STATEMENT

Dear Shareholders,

The year 2009 was highly volatile in the global financial markets. During the first half of the year, the market sentiment in Hong Kong was very negative with the local economic conditions being very challenging as a result of the financial tsunami that began in 2008.

Against these uncertain market conditions, as part of its discipline for prudent financial management, the Group focused on strengthening its financial position in order to ensure that we are able to respond to any unpredictable market challenges. The Group managed to increase its long term loan facilities and convert some of the short term facilities into longer term arrangements. At the same time, the Group worked diligently to prepare for the launches of our two luxurious residential developments by closely monitoring the local market conditions.

The local property market showed initial signs of stability in the second half of the year as a result of a stabilizing economy driven by the Central Government's stimulus measures. The Group took advantage of this window of opportunity and launched its luxury residential project, the Forfar. The launch was highly successful and achieved sales of over 60% of all units.

Despite a successful launch of the Forfar, the worldwide market conditions remained very uncertain in the third quarter. In order to ensure that the Group is in a position to deal with any unexpected circumstances, the Group decided to expand its equity base by launching a rights issue to raise approximately HK$549 million. The rights issue was successfully completed in December.

** For identification purpose only*

In the last two months of 2009 when the local property market rebounded significantly, the Group immediately launched its Mid-Levels luxury residential property Seymour and achieved overwhelming results both in prices and units sold. This again showed the Group's foresight in the timing of sales in the improving market.

Turning to the investment property business, the commercial leasing market was very weak throughout 2009. However, the leasing of Landmark East in Kowloon East has steadily picked up and towards the last few months of 2009, we are seeing a stronger momentum of leasing uptake. Despite the uncertain environment, W Square in Wanchai achieved close to full leasing during the period while the Group's other investment properties maintained an average occupancy rate of close to 90%.

The hospitality sector also was hard hit by the economic downturn and only began to improve toward the end of the year. Lanson Place saw strong growth in occupancy at its serviced residences and hotels in the last quarter of 2009 and was able to record satisfactory performance vis-à-vis its peers in the respective locations. We are confident that the performance will be sustainable.

In China, the design and preparation work for the first phases of the Shenyang joint venture development have been completed. As for the apparel business, the manufacturing operation has returned to profit though the luxury retail business continued to be under pressure as demand in the high fashion segment in the United Kingdom remained weak.

2010 marks the beginning of a new decade. Over the last ten years, the Group has witnessed the ups and downs in the local property market and successfully built a solid foundation for our property business comprising well recognized brands, strong professional teams and an extensive partnership network. Marking our ten years of accomplishments, the Board has proposed to change the Company's name to "Wing Tai Properties Limited". The name change is part of our corporate rebranding and a major step towards elevating our focus and commitment as an integrated property developer. The new name will better reflect our business focus as well as our direction ahead, while lending resonance to our brand in Hong Kong on product level.

I would like to take this opportunity to express my gratitude to our team of highly committed staff for their contribution and hard work during the last year.

Cheng Wai Chee, Christopher
Chairman

Hong Kong, 26 March 2010

FINANCIAL RESULTS

The Board of Directors (the "Directors") of USI Holdings Limited (the "Company") presents the audited consolidated results of the Company and its subsidiaries (the "Group"), and its jointly controlled entities for the year ended 31 December 2009, together with comparative figures for the previous year, as follows:-

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2009	2008
	Note	*HK$'M*	*HK$'M*
Revenue	*3*	1,207.1	1,664.5
Cost of sales		(704.0)	(1,038.1)
Gross profit		503.1	626.4
Other gains/(losses), net		105.7	(14.2)
Selling and distribution costs		(148.1)	(161.4)
Administrative expenses		(287.8)	(362.1)
Change in fair value of investment properties		363.9	541.5
Impairment of available-for-sale financial assets		-	(235.4)
Profit from operations	*4*	536.8	394.8
Finance costs		(88.9)	(82.6)
Finance income		35.6	34.6
Share of results of associates		(0.7)	(13.0)
Profit before taxation		482.8	333.8
Taxation	*5*	(102.9)	(61.8)
Profit for the year		379.9	272.0
Attributable to:			
Equity holders of the Company		279.0	193.4
Minority interests		100.9	78.6
		379.9	272.0
Dividends	*6*	67.6	49.4
Earnings per share for profit attributable to equity holders of the Company			
(expressed in HK dollars per share)	*7*		
– Basic (2008: restated)		HK$0.25	HK$0.18
– Diluted (2008: restated)		HK$0.25	HK$0.18

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2009 *HK$'M*	2008 *HK$'M*
Profit for the year	379.9	272.0
Other comprehensive income		
Net surplus arising on revaluation of other properties, plant and equipment upon transfer to investment properties	10.7	21.8
Exchange differences on translation of foreign operations	(7.2)	16.4
Net surplus/(deficit) arising on revaluation of available-for-sale financial assets		
– Fair value surplus/(deficit)	144.5	(178.8)
– Realised deficit on distribution	-	(28.7)
– Realised deficit on disposal	-	(7.4)
Impairment on available-for-sale financial assets transferred to consolidated income statement	-	235.4
Translation reserve realised upon disposal of subsidiaries	-	0.1
Net loss on cash flow hedge		
– Fair value losses	(56.6)	(63.8)
– Realised gain upon settlement	39.7	18.8
Other comprehensive income for the year, net of tax	131.1	13.8
Total comprehensive income for the year	511.0	285.8
Attributable to:		
Equity holders of the Company	381.4	211.0
Minority interests	129.6	74.8
Total comprehensive income for the year	511.0	285.8

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2009	2008
	Note	*HK$'M*	*HK$'M*
ASSETS AND LIABILITIES			
Non-current assets			
Leasehold land and land use rights		38.3	41.8
Investment properties		10,532.0	10,098.1
Other properties, plant and equipment		192.7	181.5
Interests in associates		617.9	609.6
Available-for-sale financial assets		434.0	301.2
Loans and receivables		388.6	273.3
Held-to-maturity investments		31.0	25.4
Deferred tax assets		10.2	9.7
		12,244.7	11,540.6
Current assets			
Inventories		102.2	87.5
Properties for sale		3,432.5	3,115.9
Loans and receivables		26.2	23.4
Trade and other receivables, deposits and prepayments	*8*	172.0	435.5
Available-for-sale financial assets		-	2.9
Derivative financial instruments		-	0.6
Sales proceeds held in stakeholders' accounts		255.8	-
Amounts due from associates		1.7	0.5
Tax recoverable		4.7	4.7
Pledged bank deposits		38.1	80.2
Bank balances and cash		700.2	496.2
		4,733.4	4,247.4
Current liabilities			
Trade and other payables and accruals	*9*	1,015.5	741.6
Derivative financial instruments		41.1	40.4
Amounts due to associates		21.8	19.5
Tax payable		26.8	59.9
Short-term bank loans and overdrafts		-	0.6
Bank loans due within one year		540.6	489.0
		1,645.8	1,351.0
Net current assets		3,087.6	2,896.4
Total assets less current liabilities		15,332.3	14,437.0

CONSOLIDATED BALANCE SHEET (Continued)

	As at 31 December	
	2009	2008
	HK$'M	*HK$'M*
Non-current liabilities		
Bank loans due after one year	4,281.8	4,432.9
Other long-term loans	43.0	42.3
Derivative financial instruments	55.3	105.8
Deferred tax liabilities	1,258.1	1,175.8
	5,638.2	5,756.8
NET ASSETS	9,694.1	8,680.2
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	659.6	494.5
Reserves	7,468.0	6,724.0
	8,127.6	7,218.5
Minority interests	1,566.5	1,461.7
TOTAL EQUITY	9,694.1	8,680.2

NOTES:

1. Basis of preparation

The 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 ("Listing Rules") and the Hong Kong Companies Ordinance.

2. Significant accounting policies

(a) New and revised standards, amendments and improvements to standards and interpretations of HKFRS effective in 2009 relevant to the Group

HKAS 1 (Revised)	Presentation of financial statements
HKAS 16 (Amendment)	Property, plant and equipment
HKAS 19 (Amendment)	Employees benefits
HKAS 23 (Revised)	Borrowing costs
HKAS 28 (Amendment)	Investments in associates
HKAS 31 (Amendment)	Interests in joint ventures
HKAS 32 (Amendment) & HKAS 1 (Amendment)	Financial instruments: presentation & presentation of financial statements- puttable financial instruments and obligations arising on liquidation
HKAS 36 (Amendment)	Impairment of assets
HKAS 38 (Amendment)	Intangible assets
HKAS 40 (Amendment)	Investment properties
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 7 (Amendment)	Financial instruments: disclosures
HKFRS 8	Operating segments
HK(IFRIC)-Int 9 & HKAS 39 (Amendment)	Reassessment of embedded derivatives and financial instruments: recognition and measurement
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
HK(IFRIC)-Int 18	Transfer of assets from customers

Except for HKAS 1 (Revised), HKFRS 7 (Amendment) and HKFRS 8, the adoption of the other new or revised standards, amendments and improvements to standards and interpretations of HKFRS did not have any significant impact to the Group's accounting policies and financial statements.

HKAS 1 (Revised), "Presentation of financial statements". The revised standard prohibits the presentation of items of income and expenses ("non-owner changes in equity") in the statement of changes in equity, requiring "non-owner changes in equity" to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

HKFRS 7 (Amendment), "Financial instruments - disclosures". The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14, "Segment reporting". The new standard 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 that is more consistent with the internal reporting provided to the chief operating decision-maker who makes strategic decisions.

2. Significant accounting policies (Continued)

(b) New and revised standards, amendments and improvements to standards and interpretations of HKFRS that are not yet effective in 2009 relevant to the Group

The following new and revised standards, amendments and improvements to standards and interpretations of HKFRS have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods, and have not been early adopted by the Group:

		Effective from
HKAS 27 (Revised)	Consolidated and separate financial statements	1 July 2009
HKAS 28 (Amendment)	Investments in associates	1 July 2009
HKAS 31 (Amendment)	Interests in joint ventures	1 July 2009
HKAS 39 (Amendment)	Financial instruments: recognition and measurement on eligible hedged items	1 July 2009
HKFRS 1 (Revised)	First-time adoption of HKFRSs	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
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters	1 January 2010
HKFRS 2 (Amendment)	Group cash-settled share-based payment transaction	1 January 2010
HKAS 32 (Amendment)	Classification of rights issue	1 February 2010
HK(IFRIC) – Int 19	Extinguishing financial liabilities with equity instruments	1 July 2010
HKAS 24 (Revised)	Related party disclosures	1 January 2011
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a minimum funding requirement	1 January 2011
HKFRS 9	Financial instruments	1 January 2013

The HKICPA has made amendments to HKFRS in May 2009 in response to the annual improvements project.

		Effective from
HKAS 38 (Amendment)	Intangible assets	1 July 2009
HKFRS 2 (Amendment)	Share-based payment	1 July 2009
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
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 39 (Amendment)	Financial instruments: recognition and measurement	1 January 2010
HKFRS 5 (Amendment)	Non-current assets held for sale and discontinued operations	1 January 2010
HKFRS 8 (Amendment)	Operating segments	1 January 2010

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

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.

Segment information reported to the Group's management for the purposes of resources allocation and assessment of performance are analysed on the basis of the Group's operating divisions (i.e. property development, property investment and management, hospitality investment and management, garment manufacturing, branded products distribution, investing activities and corporate). As a result, following the adoption of HKFRS 8, the presentation of the Group's reportable segments has changed in a manner consistent with the internal reporting. Comparatives for 2008 segment disclosures have been restated.

3. Revenue and segment information (Continued)

	Property development *HK$'M*	Property investment and management *HK$'M*	Hospitality investment and management *HK$'M*	Garment manufacturing *HK$'M*	Branded products distribution *HK$'M*	Investing activities *HK$'M*	Corporate *HK$'M*	Elimination *HK$'M*	Consolidated *HK$'M*
For the year ended 31 December 2009									
REVENUE									
External sales	76.4	282.8	91.4	515.1	214.2	27.2	-	-	1,207.1
Inter-segment sales	-	19.8	-	-	-	-	-	(19.8)	-
Total	76.4	302.6	91.4	515.1	214.2	27.2	-	(19.8)	1,207.1
RESULTS									
Segment results before change in fair value of investment properties	10.3	131.0	50.9	3.0	(32.2)	32.3	(85.5)	-	109.8
Change in fair value of investment properties	-	333.3	27.6	3.0	-	-	-	-	363.9
Reportable segment results	10.3	464.3	78.5	6.0	(32.2)	32.3	(85.5)	-	473.7
Reconciliation:									
Fair value gain on derivative financial instruments	-	63.1	-	-	-	-	-	-	63.1
Profit from operations	10.3	527.4	78.5	6.0	(32.2)	32.3	(85.5)	-	536.8
Finance income	31.5	-	3.1	1.6	0.7	0.1	0.3	(1.7)	35.6
Finance costs	(8.4)	(63.5)	(12.7)	(0.5)	(1.3)	(0.3)	(3.9)	1.7	(88.9)
Share of results of associates	1.6	-	6.1	-	-	(8.4)	-	-	(0.7)
Profit before taxation	35.0	463.9	75.0	7.1	(32.8)	23.7	(89.1)	-	482.8
Taxation									(102.9)
Profit for the year									379.9
Other items									
Depreciation and amortisation	4.7	5.6	-	3.7	6.4	-	2.0	-	22.4
Loss on disposal of other properties, plant and equipment	-	-	-	0.4	-	-	3.1	-	3.5
(Write back of)/ provision for trade receivables, net	(10.5)	-	-	0.8	-	-	-	-	(9.7)

3. Revenue and segment information (Continued)

	Property development *HK$'M*	Property investment and management *HK$'M*	Hospitality investment and management *HK$'M*	Garment manufacturing *HK$'M*	Branded products distribution *HK$'M*	Investing activities *HK$'M*	Corporate *HK$'M*	Elimination *HK$'M*	Consolidated *HK$'M*
For the year ended 31 December 2008									
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 available-for-sale financial assets	62.4	120.0	53.8	(23.0)	(15.8)	36.1	(85.5)	-	148.0
Change in fair value of investment properties	-	531.6	9.9	-	-	-	-	-	541.5
Impairment of available-for-sale financial assets	-	-	-	-	-	(235.4)	-	-	(235.4)
Reportable segment results	62.4	651.6	63.7	(23.0)	(15.8)	(199.3)	(85.5)	-	454.1
Reconciliation:									
Fair value loss on derivative financial instruments	-	(59.3)	-	-	-	-	-	-	(59.3)
Profit from operations	62.4	592.3	63.7	(23.0)	(15.8)	(199.3)	(85.5)	-	394.8
Finance income	20.9	1.4	5.4	12.3	1.4	0.8	15.5	(23.1)	34.6
Finance costs	(9.0)	(47.7)	(21.6)	(4.1)	(3.3)	(0.3)	(11.4)	14.8	(82.6)
Share of results of associates	5.6	-	(9.2)	-	-	(9.4)	-	-	(13.0)
Profit before taxation	79.9	546.0	38.3	(14.8)	(17.7)	(208.2)	(81.4)	(8.3)	333.8
Taxation									(61.8)
Profit for the year									272.0
Other items									
Depreciation and amortisation	0.1	5.8	0.1	10.3	6.8	-	2.3	-	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

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

3. Revenue and segment information (Continued)

	Property development *HK$'M*	Property investment and management *HK$'M*	Hospitality investment and management *HK$'M*	Garment manufacturing *HK$'M*	Branded products distribution *HK$'M*	Investing activities *HK$'M*	Corporate *HK$'M*	Consolidated *HK$'M*
The segment assets and liabilities at 31 December 2009 and capital expenditure for the year then ended are as follows:								
ASSETS								
Segment assets	4,179.0	9,437.2	1,571.9	294.3	176.0	434.1	252.8	16,345.3
Interests in associates	522.5	51.6	43.8	-	-	-	-	617.9
Other assets								14.9
Consolidated total assets								16,978.1
LIABIITIES								
Segment liabilities	(527.2)	(345.8)	(15.4)	(87.9)	(56.2)	(13.5)	(29.8)	(1,075.8)
Other liabilities								(6,208.2)
Consolidated total liabilities								(7,284.0)
Capital expenditure	323.7	56.3	37.2	4.6	14.6	11.2	6.9	454.5
The segment assets and liabilities at 31 December 2008 and capital expenditure for the year then ended are as follows:								
ASSETS								
Segment assets	3,675.6	9,070.3	1,491.4	394.1	138.5	309.0	84.5	15,163.4
Interests in associates	520.8	50.2	37.7	-	-	-	0.9	609.6
Other assets								15.0
Consolidated total assets								15,788.0
LIABIITIES								
Segment liabilities	(259.8)	(317.9)	(20.1)	(118.2)	(56.0)	(11.0)	(16.1)	(799.1)
Other liabilities								(6,308.7)
Consolidated total liabilities								(7,107.8)
Capital expenditure	440.5	1,187.0	206.9	8.3	5.0	13.9	3.4	1,865.0

Segment assets consist primarily of leasehold land and land use rights, investment properties, other properties, plant and equipment, available-for-sale financial assets, loans and receivables, held-to-maturity investments, inventories, properties for sale, trade and other receivables, deposits and prepayments, sales proceeds held in stakeholders' accounts, amounts due from associates, pledged bank deposits and bank balances and cash. Other assets comprise mainly derivative financial instruments, tax recoverable and deferred tax assets.

Segment liabilities comprise operating liabilities. Other 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 for sale, and other properties, plant and equipment, including additions resulting from acquisitions through business combinations.

3. **Revenue and segment information (Continued)**

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	
	2009	2008
	HK$'M	*HK$'M*
North America	354.9	600.8
Hong Kong	422.6	471.8
United Kingdom	206.0	274.4
Others	223.6	317.5
	1,207.1	1,664.5

The following is an analysis of the Group's total assets, non-current assets other than financial instruments and deferred tax assets, and capital expenditure by geographical areas in which the assets are located.

	Total assets At 31 December		Non-current assets other than financial instruments and deferred tax assets At 31 December		Capital expenditure Year ended 31 December	
	2009	2008	2009	2008	2009	2008
	HK$'M	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*	*HK$'M*
Hong Kong	14,698.9	13,725.7	10,360.8	9,970.1	378.9	1,646.6
The PRC	1,188.5	1,123.6	810.6	686.8	25.9	213.3
United Kingdom	189.6	150.9	69.0	55.3	14.6	5.0
North America	16.6	41.5	-	-	-	-
Singapore	845.3	709.6	493.9	490.9	-	-
Others	39.2	36.7	35.2	1.2	35.1	0.1
	16,978.1	15,788.0	11,769.5	11,204.3	454.5	1,865.0

4. Profit from operations

	2009	2008
	HK$'M	*HK$'M*
Profit from operations has been arrived at after charging/(crediting) the following:		
Staff costs including directors' remuneration	257.0	317.6
Retirement benefits costs, net of negligible forfeited contributions	7.0	8.4
Total staff costs (Note)	264.0	326.0
Share-based compensation expenses (Note)	7.9	6.4
Auditor's remuneration		
- current year	5.7	5.2
- underprovision in prior year	1.5	1.9
Cost of inventories included in cost of sales	470.3	741.6
Cost of sales of properties included in cost of sales	36.0	63.4
Depreciation and amortisation		
- trademark	0.1	0.1
- leasehold land and land use rights	0.4	0.6
- other properties, plant and equipment	21.9	24.7
Loss on disposal of other properties, plant and equipment	3.5	4.3
Direct operating expenses arising from investment properties	111.1	58.5
Gain on disposal of subsidiaries	-	(11.8)
Goodwill write off on acquisition of minority interests	1.9	-
Impairment on available-for-sale financial assets	0.3	-
Net fair value loss on financial assets at fair value through profit or loss	-	5.7
Net fair value (gain)/loss on derivative financial instruments	(63.1)	55.8
Realised gain on available-for-sale financial assets	(0.6)	(0.4)
(Write back of)/provision for trade receivables	(9.7)	17.4
(Write back of)/provision for properties for sale	(1.4)	1.1
Write back of diminution in value of inventories	-	(3.0)
Reversal of impairment of leasehold land and land use rights	-	(0.2)
Provision for impairment of other properties, plant and equipment, net	-	2.2
Selling and marketing expenses for branded products distribution	95.5	95.0

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% (2008: 16.5%) on the estimated assessable profit for the year. Taxation on overseas profits 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 amount of taxation charged to the consolidated income statement represents:

	2009	2008
	HK$'M	*HK$'M*
Current taxation		
– Hong Kong profits tax	21.8	27.3
– Under/(over)-provision in prior years	0.9	(0.4)
– Taxation in other jurisdictions	0.7	2.0
	23.4	28.9
Deferred taxation		
– Origination and reversal of temporary differences	79.5	93.7
– Effect on tax rate change announced and effective in 2008	-	(60.8)
	79.5	32.9
	102.9	61.8

6. Dividends

	2009	2008
	HK$'M	*HK$'M*
Interim dividend paid on 13 October 2009 of HK1.5 cents (2008: HK3.5 cents) per ordinary share	14.8	34.6
Proposed final dividend of HK4.0 cents (2008: HK1.5 cents) per ordinary share	52.8	14.8
	67.6	49.4

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 reserves for the year ending 31 December 2010.

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.

	2009	2008
	HK$'M	*HK$'M*
Profit attributable to equity holders of the Company	279.0	193.4
		(Restated)
Weighted average number of ordinary shares in issue	1,095,612,328	1,081,766,413
Basic earnings per share	HK$0.25	HK$0.18

(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.

	2009	2008
	HK$'M	*HK$ 'M*
Profit attributable to the equity holders of the Company	279.0	193.4
		(Restated)
Weighted average number of ordinary shares in issue	1,095,612,328	1,081,766,413
Effect of dilutive potential shares issuable under the Company's share option and share incentive schemes	2,950,332	2,740,852
Weighted average number of shares for the purpose of calculating diluted earnings per share	1,098,562,660	1,084,507,265
Diluted earnings per share	HK$0.25	HK$0.18

The weighted average numbers of share in 2008 for the purpose of calculating the basic and diluted earnings per share have been adjusted for the Company's rights issue in 2009.

8. Trade and other receivables, deposits and prepayments

	2009	2008
	HK$'M	*HK$'M*
Trade receivables	68.0	233.7
Less: provision for impairment	(12.2)	(36.2)
Trade receivables (net of provision)	55.8	197.5
Other receivables, deposits and prepayments	116.2	238.0
	172.0	435.5

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:

	2009	2008
	HK$'M	*HK$'M*
Not yet due	24.7	80.3
1 – 30 days	19.2	49.7
31 – 90 days	10.4	58.3
Over 90 days	1.5	9.2
Trade receivables (net of provision)	55.8	197.5

9. Trade and other payables and accruals

	2009	2008
	HK$'M	*HK $'M*
Trade payables	102.3	106.1
Other payables and accruals	913.2	635.5
	1,015.5	741.6

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

	2009	2008
	HK$'M	*HK $'M*
0 – 30 days	81.4	92.2
31 – 90 days	17.0	10.8
Over 90 days	3.9	3.1
	102.3	106.1

10. Scope of Work of PricewaterhouseCoopers

The financial figures in respect of this results announcement for the year ended 31 December 2009 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's financial statements for the year ended 31 December 2009. 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 announcement.

DIVIDENDS

The Directors recommend the payment of a final dividend of HK4.0 cents (2008: HK1.5 cents) per share for the year ended 31 December 2009. Including the interim dividend of HK1.5 cents (2008: HK3.5 cents) per share distributed on 13 October 2009, the total dividend payout for the year ended 31 December 2009 shall be HK5.5 cents (2008: HK5.0 cents) per share. Subject to the passing of the relevant resolution at the forthcoming annual general meeting, the final dividend will be distributed on or around 1 June 2010 to shareholders registered as at 18 May 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 17 May 2010 to 18 May 2010, 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 14 May 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the year ended 31 December 2009, the Group reported a consolidated profit attributable to equity holders of HK$279.0 million, compared with HK$193.4 million in 2008. The increase in profit for the year was mainly due to one-off impairment charge on available-for-sale financial assets recorded in 2008 which was partly offset by lower fair value gain from the Group's investment properties and lower property sales recognised in 2009. Revenue for the Group was HK$1,207.1 million in 2009, compared with HK$1,664.5 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$553.1 million for the year, compared with HK$777.7 million in 2008.

Property Development

"Forfar", in exclusive Kowloon Tong, was launched for presale in July 2009 amid an improving economy. Over 60% of the units have been sold within two weeks. Occupation permit was obtained in January 2010 and the units are expected to be handed over to the purchasers in the second half of 2010.

“Seymour”, the latest landmark in Mid-Levels, was launched for presale in November 2009. About 85% of the units have been sold in less than three weeks. Foundation work has been completed and superstructure works were commenced in early February 2010. This project, which the Group has a 30% interest, is expected to be completed in 2011.

These two developments have achieved an aggregate sales value of approximately HK$3.9 billion in the second half of 2009. The Group’s attributable share of these sales will be recognised in the consolidated income statement in 2010 and 2011 upon obtaining occupation permits.

The construction works of the Tai Po Town Lot Nos. 186, 187 and 188 are continuing with foundation works completed. 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 in Singapore, Belle Vue Residences, is held through its subsidiary, Winsor Properties Holdings Limited (“Winsor Properties”). Winsor Properties has a 30% interest in this project. About 60% of the units have been sold to-date. Occupation permit is expected to be obtained in the first half of 2010.

For the PRC Shenyang residential developments, foundation work and construction of show-flat areas and sales office for the initial phases of two sites were commenced in August 2009. Bulk construction for low-density residential units is scheduled to commence in the second quarter of 2010. The Group has a 20% interest in these projects.

Property Investment and Management

Winsor Properties is the Group’s investment holding arm in commercial, industrial and retail properties in Hong Kong. As at 31 December 2009, the Group’s portfolio of investment properties, comprising 1.5 million square feet of Grade-A office building and 2.0 million square feet of industrial buildings located in urban Kowloon area has an aggregate fair market valuation of HK$9,094.3 million.

The improving market sentiment and increased leasing demand for quality commercial properties at affordable rents continue to trigger decentralisation requirements, building up the momentum in the Kowloon East leasing market. Landmark East, the Group’s premium twin-tower office in Kowloon East, has signed up more tenants since mid 2009. W Square, the Grade A office and retail building in Wan Chai,was 98% leased at year end.

As at 31 December 2009, the Group’s portfolio of industrial properties had an aggregate fair market valuation of HK$2,525.3 million. Average occupancy of these industrial properties decreased slightly during the year but remained close to 90%. The Practice Note on the HKSAR Government’s scheme for “Revitalisation of Industrial Buildings” is yet to be issued by the Lands Department and the impact on the supply and demand of industrial space due to such scheme is yet to be seen.

Hospitality Investment and Management

Lanson Place hospitality operation has been adversely affected by the global economic downturn and the H1N1 flu virus in the first half of the year. Despite this difficult operating environment, Lanson Place continues to deliver outstanding results and lead the market in their respective locations in Asia. Since third quarter of the year, Lanson

Place has significantly picked up occupancy level while gradually improved leasing rate. At the end of 2009, occupancy of Lanson Place Jinlin Tiandi Residences in Shanghai reached 95% while occupancy of Lanson Place Central Park Residences in Beijing reached 90% within 15 months from its full opening in September 2008.

The segment profit in 2009 was higher than that of 2008 mainly due to fair value gain on the Group’s serviced apartments in the PRC.

Following Lanson Place Jin Qiao Residences in Shanghai Pudong which has been soft-opened in February 2010, 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 branded products distribution, generated an aggregate revenue of HK$729.3 million in 2009, compared with HK$1,123.6 million in 2008. The segment loss for the year was HK$26.2 million, compared with HK$38.8 million loss in 2008.

With the closure of loss-making units completed in 2008, the manufacturing business has returned to profitability. However, the branded products distribution business has been significantly affected by the economic downturn, in particular in the high-end retail market in the United Kingdom where it operates.

Investing Activities

The Group’s investing activities reported a segment profit of HK$32.3 million for the year 2009, compared with a loss of HK$199.3 million in 2008. The loss in 2008 is mainly due to a provision for impairment of available-for-sale financial assets held for long term of HK$235.4 million.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group's net assets totaled HK$9,694.1 million as at 31 December 2009 (31 December 2008: HK$8,680.2 million). The increase was mainly resulted from capitalisation of HK$549.4 million from rights issue, the profit for the year of HK$379.9 million, an increase in investment revaluation reserve of HK$144.5 million and the distribution of the 2008 final dividend of HK$14.8 million and 2009 interim dividend of HK$14.8 million.

As at 31 December 2009, the Group's net borrowings (total bank loans and other long-term loans less bank balances and cash) was HK$4,165.2 million (31 December 2008: HK$4,468.6 million), representing 43.0% of the Group's net assets (31 December 2008: 51.5%). The decrease in net borrowings and gearing ratio was mainly due to cash received from rights issue in 2009. Interest for the Group's bank loans was mainly on a floating rate basis. Around 88.8% of the Group's bank loans was repayable in periods beyond one year. In addtion to the term loan facilities, the Group has unutilised banking facilities in excess of HK$2,106.3 million as at 31 December 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, 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 2009, the Group's contingent liabilities were guarantees given to banks of HK$438.1 million (31 December 2008: HK$420.6 million).

Pledge of Assets

At 31 December 2009, the Group's advances to associates/jointly controlled entities of HK$1,579.8 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$1,579.8 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 31 December 2009, certain of the Group's investment properties, freehold properties, leasehold land and land use rights, buildings, available-for-sale financial assets, properties for sale, and bank deposits with carrying values of HK$10,420.6 million, HK$51.1 million, HK$34.9 million, HK$54.6 million, HK$176.5 million, HK$3,245.5 million, and HK$38.1 million respectively were pledged to secure credit facilities for the Group.

PROSPECTS

For 2010, it is expected that global economy will gradually improve, whilst mainland China economy will maintain a reasonable growth momentum with various government stimulus initiatives, which will help to bolster Hong Kong's economy.

The prospect of Hong Kong residential property market is expected to be promising, supported by solid fundamentals including a low interest rate environment, short supply of new residential properties, and continued strong demand from mainland buyers for new luxury developments. The Group will continue to grasp the right market windows to launch the remaining units of its two luxury residential projects, Forfar and Seymour. Revenue of Forfar project from 2009 pre-sales and further sales will be recognised in 2010 with the occupation permit obtained already. Revenue of Seymour project will be recognised after 2010. The Group will closely monitor the progress of the Tai Po project to get it ready for pre-sale in the coming years.

The operating results for investment properties are expected to improve in 2010 with ongoing momentum in leasing market. In particular, taking advantage of the continued decentralisation of offices from the traditional commercial districts to Kowloon East, Landmark East's leasing uptake will bring in increased revenue. Occupancy and rental income from W Square and other industrial properties are expected to hold steady.

For the hospitality business, Lanson Place is expected to continue to perform well on the back of improved operating environment, sound business model, proven management team and established customer network. The two serviced apartments in Shanghai, Lanson Place Jin Qiao Residences and Lanson Place Jinlin Tiandi Residences, are expected to reap benefit from the coming May 2010 Shanghai Expo. Looking ahead, Lanson Place will continue to explore investment and management opportunities in gateway cities in the Asia Pacific region to expand its business portfolio.

Barring unforeseen circumstances, the results for the coming financial year are expected to be promising with development project earnings and rising recurring income. With a solid foundation of our property business, well-recognised brands and a healthy balance sheet, the Group is well-positioned to manage the challenges and stay ahead of the market to seize opportunities to continue its growth.

EMPLOYEES

As at 31 December 2009, the Group had about 1,600 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 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.

REVIEW BY AUDIT COMMITTEE

The Audit Committee has reviewed the Group's consolidated financial statements for the year ended 31 December 2009, including the accounting principles and practices adopted by the Group.

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

During the year ended 31 December 2009, 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 2009 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 LIMITD
Fung Ching Man, Janet
Company Secretary & Chief Financial Officer

Hong Kong, 26 March 2010

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, Yung Wing Chung (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