

USI Announces 2006 Interim Results

Net Profit Increases Remarkably by 710% to HK\$585.3 million

Positive Outlook for Future Development

Financial Highlights

	For the six months ended 30 June, unaudited		Change
	2006 HK\$'Mil	2005 HK\$'Mil	
Turnover	1,860.9	551.8	+237%
Gross profit	880.1	130.6	+574%
Operating profit	711.8	64.7	+1,000%
Profit attributable to the shareholders of the Company	585.3	72.3	+710%
Basic EPS (HK cents)	111.0	14.0	+693%
Dividends (HK cents)	5.0	1.5	+233%

25 September 2006, Hong Kong - **USI Holdings Limited** ("USI" or the "Group", SEHK stock code: 369) announced the Group's unaudited results for the six months ended 30 June 2006. The Group reported a profit attributable to the shareholders of the Company of HK\$585.3 million, representing a remarkable increase of 710% over the HK\$72.3 million reported for the same period in 2005. Turnover for the Group was HK\$1,860.9 million for the period ended 30 June 2006, representing a 237% increase as compared with the HK\$551.8 million for the first half of 2005. The record profit of the Group was attributable to the significant achievement in the results of the property division.

The Board of Directors proposed to declare an interim dividend of HK 5.0 cents per share.

Commenting on the extraordinary results, Chairman of USI, Mr. Christopher Cheng said: "The outstanding performance represented a more than seven-fold increase from the same period last year and the second record results in a row, following a full year net profit of HK\$368.5 million for 2005. This is very encouraging as it epitomises our insight, perseverance and uncompromising determination to make our mark in the property and hospitality industry as a focused and dynamic player. It also sets a brilliant beginning for a new phase of development for USI."

The Group's property division recorded profits of HK\$645.9 million, representing an increase of 1,094% as compared with the HK\$54.1 million for the same period in 2005.

Property Development

In the past decade, the Group has successfully established the Wing Tai Asia brand as a leader in the property industry for quality product development and delivery, innovative marketing and excellent customer service. In the first half of 2006, management's prime focus was to complete The Grandville, delivering the units to pre-sale buyers and closely monitor the regular maintenance of The Giverny, a prestigious estate in Sai Kung, to ensure they are maintained with the highest quality and are in perfect conditions on delivery. For the remainder of 2006, the Group will closely monitor the market conditions for the re-launch of the remaining units in both The Giverny and The Grandville.

The Group has acquired a site at 157 Argyle Street for residential property development. The gross floor area of this project is expected to be approximately 90,000 square feet. Basic terms of the lease modification have been agreed with the government and the Group is currently in negotiation on the land premium.

Hospitality Investment and Management

The Group's hospitality management and investment business also achieved substantial progress in the first half of 2006. Lanson Place now manages a total of 720 units in five properties in Hong Kong, Shanghai, Singapore and Kuala Lumpur.

The Lanson Place Boutique Hotel and Residences at 133 Leighton Road, Hong Kong and Lanson Place Jin Lin Tian Di Residences, a luxury serviced apartment project in Shanghai's prime Xin Tian Di area, commenced operation in December 2005. Within such a short period of time, Lanson Place has established its name in these two major cities and achieved more than 80% occupancy in August.

The Group continues to expand the hospitality business into high-growth Mainland China cities. In this connection, the Group recently partnered with Hongkong Land and Vantone to acquire Tower 15 of Central Park, a luxurious residential development in Beijing. The Tower will be operated as serviced residences and will be managed by Lanson Place. The Tower is scheduled to commence initial operation in March 2008, just ahead of the Beijing Olympics.

Property Investment

The Group is also gradually expanding its business scope from residential property development to include property investment.

Renovation of the former Bank of East Asia Building situated at 314-324 Hennessy Road, Wanchai is expected to be completed in 2007. This property will provide upscale retail and grade A office space with a gross floor area of approximately 120,000 square feet to capture the upswing in the retail and office market in Hong Kong. The Group has also invested in Infiniti, a retail mall in Shanghai's prime shopping area which is currently being transformed into a modern and innovative

lifestyle shopping and meeting place. The Group's portfolio of quality commercial properties will be further expanded.

The Group also takes part in a project at 102 How Ming Street in Kwun Tong, which will be developed into grade A office towers with a gross area of approximately 1,300,000 square feet. USI is the project manager of the development. Foundation works of the development are close to completion and superstructure construction is set to commence before the end of the year.

Apparel

In terms of the apparel business, the Group has been re-engineering the manufacturing process to enhance production efficiency and shifting to higher margin customers and products, which have enabled it to minimise the impact of trade restrictions in the past year. The Group is now focused on building a sustainable platform for future growth in anticipation of the lifting of the quantitative restrictions imposed by the US and the EU in 2007 and 2008 respectively. The Group will also continue to invest in the Gieves & Hawkes and Gieves brands and to develop its license operations as well as expand the retail network at strategic locations.

Prospects

Looking ahead, USI will continue to explore opportunities to strengthen its property development business while actively expanding into investment of commercial properties. In hospitality investment and management, USI will seek to expand in strategic locations in Greater China and other gateway cities in Asia while strengthening its position and competitiveness in existing markets. With hospitality investment and management as a spearhead, USI will seek to develop itself into a comprehensive property player with an Asian presence and China focus.

Mr. Cheng concludes: "In the past decade, through our aspiration to deliver the best product, our effective marketing strategy and our quality management, we are adding value to each and every piece of land we invest in. Our strategic direction now is to achieve further growth by adding value with quality and flair under our two established brands of Wing Tai Asia and Lanson Place. We will continue to expand our business scope and geographical coverage in Asia with focus in China to consolidate our achievement in the property and hospitality market and create value for our stakeholders."

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About USI Holdings Limited

USI develops high quality residential property projects under the Wing Tai Asia brand. Landmark projects include The Waterfront, atop the Airport Railway's Kowloon Station, The Hillgrove, at Siu Lam, The Bloomsville, at Kowloon Tong, The Grandville, at Shatin and The Giverny, at Sai Kung. The Group also engaged in hospitality investment and management under its Lanson Place brand in Hong Kong, Shanghai, Beijing, Singapore and Kuala Lumpur. In addition, the Group has a portfolio of investment projects comprising commercial and industrial properties.

USI's apparel operations is comprised of well-established garment manufacturing operations in Hong Kong, China and Southeast Asia; garment trading and branded products distribution, which includes the internationally recognized label of Gieves & Hawkes.

USI was listed on The Stock Exchange of Hong Kong Limited in 1991.

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