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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in World Houseware (Holdings) Limited, you should at once hand this circular, to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 713)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF THE SALE SHARES AND THE SHAREHOLDER LOAN IN
A WHOLLY-OWNED SUBSIDIARY**

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DEFINITIONS

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

| | |
|----------------------|---|
| “Agreement” | the provisional agreement for sale and purchase in relation to the sale and purchase of the Sale Shares and the Shareholder Loan dated 27 June 2008 and entered into between the Vendor and the Purchaser |
| “Board” | the board of Directors |
| “Carparks” | Six carparking spaces number 048,050,051 and 052 on the upper basement and number 113 and 129 on lower basement, Jiao Yu Ke Ji Building, Zhu Zi Lin Si Road, Shennan Boulevard, Futian District, Shenzhen City, Guangdong Province, the PRC (中國廣東省深圳市福田區深南大道竹子林四路教育科技大廈地下一層車位048,050,051及052號與地下二層車位113及129號共六個停車位) |
| “Company” | World Houseware (Holdings) Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange |
| “Date of Completion” | the date on which completion of the Disposal takes place which shall be a date on or before 28 July 2008 |
| “Directors” | the directors of the Company from time to time |
| “Disposal” | the disposal of the Sale Shares and the Shareholder Loan by the Group pursuant to the Agreement |
| “Formal Agreement” | the formal agreement for sale and purchase of the Sale Shares and the Shareholder Loan entered into between the Vendor and the Purchaser |
| “Gold Earn” | Gold Earn (Hong Kong) Limited, a company incorporated in Hong Kong which is wholly owned by the Vendor |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |

DEFINITIONS

| | |
|---------------------------|--|
| “Latest Practicable Date” | 18 July 2008 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | The People’s Republic of China |
| “Property” | Property situated at 19/F., Jiao Yu Ke Ji Building, Zhu Zi Lin Si Road, Shennan Boulevard, Futian District, Shenzhen City, Guangdong Province, the PRC. (中國廣東省深圳市福田區深南大道竹子林四路教育科技大廈塔樓第19層) The total saleable floor area of the Property is approximately 1,432.08 square meters |
| “Purchaser” | High Improvement Agents Limited, a company incorporated in British Virgin Islands and LLEA & COMPANY LIMITED, a company incorporated in Hong Kong, both are independent third parties not connected with the Company and its connected persons |
| “Sale Shares” | 2 issued ordinary shares of HK\$1.00 each in the capital of Gold Earn, representing the entire existing issued capital of Gold Earn |
| “Shareholder Loan” | the outstanding amount of approximately HK\$6.8 million owed by Gold Earn to the Vendor as at the date of the Formal Agreement which will be assigned by the Vendor to the Purchaser upon Completion |
| “Shareholders” | shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | World Houseware Producing Company Limited and Welidy Limited, both are companies incorporated in Hong Kong which are wholly-owned subsidiaries of the Company |

LETTER FROM THE BOARD



WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 713)

Executive Directors:

Mr. Lee Tat Hing *(Chairman)*
Madam Fung Mei Po *(Vice Chairperson and
Chief Executive Officer)*
Mr. Lee Chun Sing *(Vice Chairman)*
Madam Lai Lai Wah
Mr. Lee Pak Tung
Mr. Kwong Bau To
Madam Chan Lai Kuen Anita

Registered office:

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands
British West Indies

Non-executive Director:

Mr. Cheung Tze Man Edward

Independent Non-executive Directors:

Mr. Hui Chi Kuen Thomas
Mr. Ho Tak Kay
Mr. Tsui Chi Him Steve

*Head office and principal place
of business in Hong Kong:*

Flat C, 18th Floor
Bold Win Industrial Building
16-18 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

24 July 2008

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF THE SALE SHARES AND THE SHAREHOLDER LOAN IN A WHOLLY-OWNED SUBSIDIARY

1. INTRODUCTION

By an announcement dated 4 July 2008, the Company announced that the Vendor, two wholly-owned subsidiaries of the Company, World Houseware Producing Company Limited and Welidy Limited, being the existing shareholders of Gold Earn, had entered into the Agreement with the Purchaser, being independent third parties whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Shareholder Loan of Gold Earn at a consideration of HK\$26,500,000. The Formal Agreement had been entered on 8 July 2008.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and the ultimate beneficial owner of the Purchaser are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

As the consideration for the Disposal of the Sale Shares and the Shareholder Loan represents for more than 5% of the market capitalization of the Group for the last five trading days prior to the date of the Agreement for sale and purchase, the Disposal of the Sale Shares and the Shareholder Loan constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to give you further details of the Disposal and other information prescribed by the Listing Rules.

2. DETAILS OF THE FORMAL AGREEMENT

Date

8 July 2008

Parties

The Vendor; and

The Purchaser

Subject matter of the Formal Agreement

Pursuant to the Formal Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Sale Shares and the Shareholder Loan and the Date of Completion shall be on or before 28 July 2008.

Asset to be disposed

The assets to be disposed include the Sale Shares and the Shareholder Loan.

The Sale Shares, being 2 issued ordinary shares of HK\$1.00 each in the capital of Gold Earn, representing 100% of the existing issued share capital of Gold Earn.

Gold Earn is the registered and the beneficial owner of the Property and has the right to use of the Carparks which are both located in Shenzhen, Guangdong Province, the PRC. The Property and the Carparks were held for own use since its acquisition.

LETTER FROM THE BOARD

A summary of the revenue, profit/(loss) before and after taxation, total asset value and net asset/(liabilities) value of Gold Earn, based on the audited accounts of Gold Earn under the Hong Kong Financial Reporting Standards is set out below:

| | For the year ended 31 December 2007 or as at 31 December 2007 (HK\$' million) | For the year ended 31 December 2006 or as at 31 December 2006 (HK\$' million) |
|--------------------------------|--|--|
| Revenue | 22.1 | — |
| Profit/(loss) before taxation | 6.0 | (0.7) |
| Profit/(loss) after taxation | 6.0 | (0.7) |
| Total assets value | 11.6 | 23.3 |
| Net assets/(liabilities) value | 4.8 | (1.2) |

Upon Completion, the Company will no longer hold any interest in Gold Earn and Gold Earn will cease to be a subsidiary of the Company.

Consideration

The consideration for the Disposal is HK\$26,500,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) A deposit of HK\$500,000 has been paid on 27 June 2008;
- (b) A further deposit of HK\$7,000,000 has been paid on 8 July 2008; and
- (c) The remaining balance of HK\$19,000,000 shall be paid on the Date of Completion.

The consideration is arrived at after an arm's length negotiation between the Vendor and the Purchaser. The Board considers the terms of transaction and the consideration is fair and reasonable and is in the interests of the Group and the Shareholders as a whole by reference to the actual transactions of similar properties with comparable market value at the nearby location in Shenzhen City, Guangdong Province, the PRC. No professional valuation has been made by the Vendor for the purpose of the sale.

LETTER FROM THE BOARD

3. FINANCIAL EFFECTS ON THE DISPOSAL OF THE COMPANY

Taking into account the unaudited net assets of the Gold Earn of approximately HK\$4.7 million and the Shareholder Loan of approximately HK\$6.8 million at 8 July 2008, it is estimated that a gain of approximately HK\$14.6 million would be arisen from the Disposal. The net proceeds from the Disposal after deducting the related expenses are estimated to be approximately HK\$26.1 million and shall be used as general working capital for the Group. The net proceed derived from the Disposal will improve the liquidity and financial position of the Group. Taking into account of the above, the Board considers that the terms of the Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

The Disposal of the Sale Shares and the Shareholder Loan is not expected to have any material impact on the consolidated total assets and liabilities of the Company which represents approximately 0.84% and 2.21% as at 31 December 2007 respectively.

4. REASONS FOR THE DISPOSAL

The principal assets of the Gold Earn are the Property and the right to use the Carparks which were held for self-used purpose for the Group in the past. Owing to the recent change of the Group's strategy, it is not necessary for the Group to use the Property and Carparks in present.

5. USE OF THE PROCEEDS FROM THE DISPOSAL

The Company intends to apply the entire proceeds as general working capital for the Group.

6. INFORMATION OF THE VENDOR AND THE COMPANY

The Vendor is engaged in the trading of household products and property investment business.

The Group is principally engaged in the design, manufacture, and marketing of PVC and fabric household products, PVC pipes and fittings and property investment.

LETTER FROM THE BOARD

7. INFORMATION OF THE PURCHASER

The Purchaser is principally engaged in investment holding.

8. GENERAL

Your attention is drawn to the appendices to this circular which contain certain additional information in relation to the Company.

Yours faithfully,
For and on behalf of the Board
Lee Tat Hing
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests of the directors, chief executive and their respective associates in the shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which are required (a) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO); or (b) to be recorded in the register to be kept pursuant to Section 352 of the SFO; or (c) pursuant to Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange were as follows:

| Name of director | Number of shares | | | | Total | Percentage of shareholding |
|---------------------|--------------------|------------------|---------------------|-----------------|-------------|----------------------------|
| | Personal interests | Family interests | Corporate interests | Other interests | | |
| Lee Tat Hing | 1,756,072 | 38,479,087 (a) | 28,712,551 (e) | 280,895,630 (f) | 349,843,340 | 51.72% |
| Fung Mei Po | 38,479,087 | 30,468,623 (b) | — | 280,895,630 (f) | 349,843,340 | 51.72% |
| Lee Chun Sing | 21,815,830 | 240,000 (c) | — | 280,895,630 (f) | 302,951,460 | 44.79% |
| Lai Lai Wah | 240,000 | 302,711,460 (d) | — | — | 302,951,460 | 44.79% |
| Lee Pak Tung | 2,766,448 | — | — | — | 2,766,448 | 0.41% |
| Kwong Bau To | 3,103 | — | — | — | 3,103 | — |
| Hui Chi Kuen Thomas | 100,000 | — | — | — | 100,000 | 0.01% |
| Chan Lai Kuen Anita | 2,623 | — | — | — | 2,623 | — |

Notes:

- (a) Mr. Lee Tat Hing is the husband of Madam Fung Mei Po whose personal interests are therefore also the family interests of Mr. Lee Tat Hing.
- (b) Madam Fung Mei Po is the wife of Mr. Lee Tat Hing whose personal and corporate interests are therefore also the family interests of Madam Fung Mei Po.

- (c) Mr. Lee Chun Sing is the husband of Madam Lai Lai Wah whose personal interests are therefore also the family interests of Mr. Lee Chun Sing.
- (d) Madam Lai Lai Wah is the wife of Mr. Lee Chun Sing whose personal and other interests are therefore also the family interests of Madam Lai Lai Wah.
- (e) The shares are held by Lees International Investments Limited, a company wholly owned by Mr. Lee Tat Hing.
- (f) The shares are held by Goldhill Profits Limited which is wholly owned by a discretionary trust of which Messrs. Lee Tat Hing and Lee Chun Sing and Madam Fung Mei Po are discretionary objects.

As at the Latest Practicable Date, the following directors had personal interests in the deferred non-voting shares of certain subsidiaries of the Company:

| Name of director | Name of subsidiary | Number of deferred non-voting shares held |
|-------------------------|--|--|
| Lee Tat Hing | World Houseware Producing Company Limited | 1,555 |
| Fung Mei Po | World Home Linen Manufacturing Company Limited | 100 |
| Lee Pak Tung | World Houseware Producing Company Limited | 50 |
| | Hong Kong PVC Placemat Manufacturing Company Limited | 25,000 |

The deferred shares do not carry any rights to vote at general meetings of these subsidiaries or to participate in any distributions of profits until the net profits of these subsidiaries which are available for dividend exceed HK\$10 billion, or to receive a return of capital until a total sum of HK\$10 billion has been distributed to the ordinary shareholders of each of these subsidiaries.

As at the Latest Practicable Date, save as aforesaid and other than certain nominee shares in subsidiaries held by directors in trust for the Group, none of the directors, chief executive or their associates had any interests or short positions in the shares or any securities of the Company and its associated corporations.

Substantial Shareholders

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests in shares disclosed above in respect of the directors of the Company, the Company has not been notified of any other interests representing 5 percent or more of the Company's issued share capital as at the Latest Practicable Date.

Save as disclosed in this circular, the directors and chief executive of the Company are not aware of any other person who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Part XV of the SFO.

Share Options and Directors' Rights to Acquire Shares or Debentures

As at the Latest Practicable Date, none of the directors and chief executive of the Company and their respective associates had any interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which are required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have taken under such provisions of the SFO); or (b) to be recorded in the register to be kept pursuant to Section 352 of the SFO; or (c) pursuant to Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange.

3. DIRECTORS' INTEREST IN CONTRACTS

- (a) As at the Latest Practicable Date, no Director was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group taken as a whole.
- (b) Since the date to which the latest published audited financial statements of the Group were made up, none of the Directors has had any direct or indirect interest in any assets acquired or disposed of or leased to or proposed to be acquired or disposed of by any member of the Group.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and his or her respective associates was considered to have an interest in a business which competes or is likely to compete, enter directly or indirectly, with the business of the Group other than those business to which the Directors and his or her associates who appointed to represent the interests of the Company and/or the Group.

5. SERVICE CONTRACTS

No Director has entered into a service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation, other than statutory compensation.

6. LITIGATION

Neither any litigation nor arbitration or claim of material importance is pending or threatened by or against the Company or any of its subsidiaries.

7. MISCELLANEOUS

- (a) The Qualified Accountant of the Company is Mr. Leung Cho Wai, a fellow member of the Association of Chartered Certified Accountants and a member of Hong Kong Institute of Certified Public Accountants.
- (b) The Secretary of the Company is Mr. Tsui Chi Yuen, a member of Hong Kong Institute of Certified Public Accountants.
- (c) The Company's Hong Kong branch share register and transfer office is Tricor Secretaries Limited, which is situated at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.
- (e) No member of the Group has entered into any material contracts (not being contracts entered into in the ordinary course of business) for the last two years immediately the Latest Practicable Date.