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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)

**MAJOR TRANSACTION
DISPOSAL OF A PROPERTY**

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DEFINITIONS

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

“Agreement”	the sale and purchase agreement in relation to sale and purchase of the Property dated 12 October 2004 and entered into between the Vendor and the Purchaser
“Board”	the board of Directors
“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
“Directors”	the directors of the Company from time to time
“Disposal”	the disposal of the Property by the Group pursuant to the Agreement
“EGM”	an extraordinary general meeting of the Company to be held to approve the Disposal and the transactions contemplated thereto (if required)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	29 October 2004 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

DEFINITIONS

“Major Joint Shareholders”	Goldhill Profits Limited, which is wholly-owned by a discretionary trust of which Messrs. Lee Tat Hing and Lee Chun Sing (the son of Mr. Lee Tat Hing) and Madam Fung Mei Po are discretionary objects, is beneficially entitled to 280,895,630 shares in the issued share capital of the Company; Lees International Investments Limited, a company beneficial owned by Mr. Lee Tat Hing, is beneficially entitled to 28,712,551 shares in the issued share capital of the Company; Mr. Lee Tat Hing, the Chairman and Managing Director of the Company, is beneficially entitled to 1,756,072 shares in the issued share capital of the Company and Madam Fung Mei Po, an Executive Director of the Company and the wife of Mr. Lee Tat Hing, is beneficially entitled to 37,395,087 shares in the issued share capital of the Company; collectively are beneficially entitled to 348,759,340 shares in the issued share capital of the Company (the above shareholders together holds approximately 51.56% of the issued share capital of the Company constituting a closely allied group of shareholders of the Company as defined under Chapter 14 of the Listing Rules)
“Property”	ALL THOSE TWO equal undivided 4th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO. 4028 and of and in the messuages erections and buildings thereon known as NOS. 6 and 6A WILTSHIRE ROAD Together with the sole and exclusive right and privilege to hold use and occupy and enjoy ALL THOSE the GROUND FLOOR and the FIRST FLOOR of the said NO. 6 WILTSHIRE ROAD
“Purchaser”	Wiltshire Limited, a company incorporated in Hong Kong
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Greatflow Investments Limited, a company incorporated in the British Virgin Islands which is a wholly owned subsidiary of the Company
“Valuer”	Knight Frank, an independent professional valuer appointed by the Company as valuer of the Property

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 and Managing Director*)

Ms. Fung Mei Po (*Vice Chairperson*)

Mr. Lee Chun Sing (*Vice Chairman*)

Ms. Lai Lai Wah

Mr. Lee Pak Tung

Mr. Wat Kwing Cheung, Alexander

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

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

Independent Non-executive Directors:

Mr. Wong Kong Chi

Mr. Hui Chi Kuen, Thomas

Mr. Ho Tak Kay

Flat C, 18th Floor

Bold Win Industrial Building

16-18 Wah Sing Street

Kwai Chung

New Territories

Hong Kong

3 November 2004

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTION DISPOSAL OF A PROPERTY

1. INTRODUCTION

By an announcement dated 12 October 2004, the Company announced that the Vendor a wholly owned subsidiary of the Company had entered into the Agreement with an independent third party Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Property at an aggregate consideration of HK\$45,000,000.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is engaged in property holding and is a company incorporated in Hong Kong and together with its ultimate beneficial owners 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 Property represents more than 25% of the market capitalization of the Group for the last five trading days prior to the date of the sale and purchase agreement, the Disposal of the Property constitutes a major 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.

The Listing Rules also provide that a major transaction must be made conditional on approval by the Shareholders and that such approval may be obtained either by convening a general meeting or by means of the written approval of the transaction by one or more Shareholders holding in excess of 50% in nominal value of the securities giving the right to attend and vote at such general meeting.

The Major Joint Shareholders are collectively and beneficially entitled to 348,759,340 shares in the issued share capital of the Company (approximately 51.56% of the issued share capital of the Company). The Major Joint Shareholders do not have any interest in the Disposal which is different from other Shareholders. The Major Joint Shareholders have given their written approval for the Disposal. After making necessary enquiries, no Shareholder is required to abstain from voting if the Company were to approve the Disposal at an EGM. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the requirement to hold an EGM to approve the Disposal pursuant to Rule 14.44 of the Listing Rules. Accordingly, no EGM will be held to approve the Disposal.

2. DETAILS OF THE AGREEMENT

Date

12 October 2004

Parties

The Vendor; and

The Purchaser

LETTER FROM THE BOARD

Subject matter of the Agreement

Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Property subject to the following terms:

- (a) The Date of Completion of the Agreement shall be on or before 28 December 2004;
- (b) Vacant possession of the Property shall be given to the Purchaser on the Date of Completion; and
- (c) The Vendor shall repay all outstanding mortgage loan in respect of the Property on the Date of Completion.

Property

The Property is situated in No. 6 Wiltshire Road, Kowloon, Hong Kong. The total saleable floor area of the Property is approximately 4,181 square feet. The Property was formerly occupied by two directors of the Company as quarter and is currently vacant. The Property was acquired by the Vendor in February 2000 at a consideration (together with relevant costs) of approximately HK\$40,686,000 and the carrying value of the Property as at 30 September 2004 was approximately HK\$36,056,000.

Consideration

The consideration for the Disposal is HK\$45,000,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) A deposit of HK\$4,500,000 was paid to the Vendor upon the signing of the Agreement; and
- (b) The remaining balance of HK\$40,500,000 shall be paid on the Date of Completion.

If the Purchaser shall fail to complete on the Date of Completion all the deposits paid by the Purchaser shall be forfeited by the Vendor who may resell the Property to other party and any deficiency in price arising from such resale shall be recovered from the Purchaser as liquidated damages. If the Vendor shall fail to complete the Property all deposits shall be returned to the Purchaser who may recover from the Vendor such further damages over and above the deposits as the Purchaser may substantiate.

The consideration is arrived at after an arm's length negotiation between the Vendor and the Purchaser. The Board (including independent non-executive directors) considers the consideration is fair and reasonable and is in the interests of the Group and the

LETTER FROM THE BOARD

Shareholders as a whole by reference to an independent valuation which has been appraised by Knight Frank, an independent professional valuer who is not connected with the Company and its connected persons (as defined in the Listing Rules) for HK\$45,000,000 as at 31 August 2004.

The text of the letter together with a valuation certificate of the Property prepared by the Valuer giving its valuation of the Property as at 31 August 2004 are set out in Appendix I.

3. FINANCIAL EFFECTS ON THE DISPOSAL OF THE COMPANY

It is estimated that the Disposal of the property will result in a gain to the Company from the net sale proceeds of approximately HK\$8,944,000 for the year ending 31 December 2004 based on the carrying value of the Property of approximately HK\$36,056,000 as at 30 September 2004.

After the repayment of all outstanding mortgage loan from the sale proceeds, and taking into account of the group's other cash resources, the Group will retain in excess of an estimated HK\$35,016,000 in cash. Accordingly, the Disposal has a positive effect on the Group's working capital position.

The Property represents approximately 3.6% and 3.2% of the consolidated total assets as at 31 December 2002 and 31 December 2003 of the Company respectively.

4. REASONS FOR THE DISPOSAL

The Property was acquired in February 2000 as directors' quarter by the Group and had been used for such purpose up to August 2004.

The Board considers the terms of the Disposal is fair and reasonable and is in the interest of the Group and the Shareholders as a whole by reference to an independent valuation which has been appraised by Knight Frank, an independent professional valuer who is not connected with the Company and its connected persons (as defined in the Listing Rules) for HK\$45,000,000 as at 31 August 2004.

Given the current favourable property market condition, the Board considers it is the right time to realise the Property and the Disposal will improve the liquidity and financial position of the Group.

LETTER FROM THE BOARD

5. USE OF THE PROCEEDS FROM THE DISPOSAL

The Company intends that part of the net proceeds from the Disposal will be used for the repayment of the entire outstanding mortgage loan relating to the Property in the amount of approximately HK\$9,738,000 and the remaining balance will be used for working capital purpose.

6. INFORMATION OF THE VENDOR AND THE COMPANY

The Vendor is engaged in the properties holding and its place of business is located in Hong Kong.

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

7. MAJOR JOINT SHAREHOLDERS' CONSENT

As stated above, the Major Joint Shareholders are collectively and beneficially entitled to 348,759,340 shares in the issued share capital of the Company (approximately 51.56% of the issued share capital of the Company). The Major Joint Shareholders do not have any interest in the Disposal which is different from other Shareholders. The Major Joint Shareholders have given their written approval for the Disposal. After making necessary enquiries by the Directors, no Shareholder is required to abstain from voting if the Company were to approve the Disposal at an EGM. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the requirement to hold an EGM to approve the Disposal pursuant to Rule 14.44 of the Listing Rules. Accordingly, no EGM will be held to approve the Disposal.

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 and Managing Director



萊坊國際物業顧問

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www.knightfrank.com

29 October 2004

The Directors
World Houseware (Holdings) Limited
Flat C, 18th Floor
Bold Win Industrial Building
16-18 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

Dear Sirs,

Re: Ground Floor and 1st Floor, No. 6 Wiltshire Road, Kowloon Tong, Kowloon (“the property”)

In accordance with your instructions for us to value the property held by World Houseware (Holdings) Limited (the “Company”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value of the property as at 31 August 2004.

Our valuation of the property represents our opinion of its open market value which we would define as meaning “the best price at which the sale of an interest in a property might reasonably be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming:

- (a) a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of price and terms and for the completion of the sale;

- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.”

Our valuation has been made on the assumption that the owner sells the property on the open market in its existing state without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of the property.

We have valued the property by Direct Comparison Method and making reference to comparable market transactions. The property is vacant and has been valued assuming sale with vacant possession.

In valuing the property which is held under a Government lease expired before 30 June 1997, we have taken account of the stipulations contained in Annex III of the Joint Declaration of the Government of the United Kingdom and the Government of the People’s Republic of China on the question of Hong Kong and the New Territories Leases (Extension) Ordinance that the lease term has been extended without premium until 30 June 2047 and that an annual rent at three per cent of the rateable value of the property is charged from the date of extension.

We have relied to a considerable extent on the information provided by you and have accepted advice given to us by you on such matters as statutory notices, easements, tenure, particulars of occupancy, site and floor areas and all other relevant matters. We have caused searches to be made at the Land Registry. However, we have not scrutinised the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. All documents and leases have been used as reference only and all dimensions, measurements and areas are only approximations.

We have inspected the property. During the course of our inspection, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report as to whether the property is or is not free from rot, infestation or any other defects. No tests were carried out on any of the services.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
KNIGHT FRANK
C.K. Lau
MHKIS MRICS RPS(GP)
Executive Director

Note: Mr. C.K. Lau, a professional member of The Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors and a Registered Professional Surveyor in General Practice, has over 11 years post-qualification experience in the valuation of properties in Hong Kong and the People's Republic of China.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Capital value in existing state as at 31 August 2004
Ground Floor and 1st Floor, No. 6 Wiltshire Road, Kowloon Tong, Kowloon.	The property comprises two residential units of a 2-storey semi-detached residential block completed in about 1954.	The property is vacant.	HK\$45,000,000
2/4th shares of and in New Kowloon Inland Lot No. 4028.	The property has a saleable area of approximately 4,181 sq.ft. plus roof area of approximately 2,151 sq.ft., and garden, terrace and garage area of approximately 3,203 sq.ft. The property is held under a Government lease for a term of 75 years from 1 July 1898 renewed for a further term 24 years less the last three days. The lease term is statutorily extended until 30 June 2047. The annual government rent payable for the property is an amount equal to 3% of the rateable value for the time being of the property.		

Notes :

1. The registered owner of the property is Greatflow Investments Limited, which is a wholly-owned subsidiary of the Company.
2. The property is subject to a Mortgage dated 29 February 2000 to secure banking facilities in favour of Standard Chartered Bank registered by Memorial No. 8033616.
3. During our inspection, we noted that there was an additional structure erected above the garage, and the original staircase at the rear had been demolished. Besides, an internal staircase was found constructed to connect the Ground Floor and 1st Floor. Notwithstanding to the aforesaid alterations, our valuation has reflected the redevelopment potential of the property.
4. The property is situated within an area zoned for "Residential (Group C) 4" uses under the Kowloon Tong Outline Zoning Plan No. S/K18/10 dated 7 November 2003.

1. INDEBTEDNESS

As at the close of business on 30 September 2004, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Company had other outstanding borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments of HK\$343,287,000 (of which HK\$207,212,000 was secured by certain investment properties, land and buildings and properties held for sale of the Company).

As at 30 September 2004, the Company had pledged certain investment properties, land and buildings and properties held for sale with a carrying value of HK\$124,984,000 to secure banking facilities granted to the Group.

Save as disclosed in this circular and apart from intra-group liabilities and normal accounts payables, the Group did not have any mortgages, charges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptances creditors, or any guarantees, or other contingent liabilities outstanding at the close of business on 30 September 2004.

The Directors are not aware of any material adverse changes in the Group's indebtedness position and contingent liabilities since 30 September 2004.

2. WORKING CAPITAL

The net proceeds of the Disposal, after taking into account of related cost and expenditures, is HK\$44,754,000. The amount of all outstanding mortgage loan of the Property which is subject to repayment is HK\$9,738,000. After the repayment of all outstanding mortgage loan from the sale proceeds, and taking into account of the group's other cash resources, the Group will retain in excess of an estimated HK\$35,016,000 in cash. Accordingly, the Disposal has a positive effect on the Group's working capital position.

The Directors are of the opinion that, after taking into account the present available banking facilities and the net estimated proceeds received from the Disposal of the Property, the Group has sufficient working capital for its present requirements in the absence of unforeseen circumstances.

3. CURRENT FINANCIAL AND TRADING PROSPECTS

The Directors believe that in face of the harsh environment induced by the drastic increase in the prices of the major raw materials, the Company will catch every business opportunities and current trends to adopt more flexible approaches and take corrective action to fine-tune with the changing environment and improve the Company's gross profit margin. Also the Company will strengthen the co-operation with the business associates and create better business relationships with the business partners. All of these strategies can help the Company to survive and achieve better performance. Accelerating growth and expanding the market share are the key success factors in the stringent environment.

The Company resolves to face the current difficult operating environment as opportunities as much as challenges. The Company will remain flexible and responsive to varying market conditions and is constantly looking for and reviewing potential investment opportunities that would offer high returns and continue to strive to improve its profits and enhance shareholders value, whether by expansion, diversification or otherwise.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading in any material respect;
- (b) there are no matters the omission of which would make any statement in this circular misleading in any material respect; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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 (“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		
	Personal interests	Corporate interests	Other interests
Lee Tat Hing	1,756,072	28,712,551 (a)	280,895,630 (b)
Fung Mei Po	37,395,087	—	280,895,630 (b)
Lee Chun Sing	21,815,830	—	280,895,630 (b)
Lai Lai Wah	240,000	—	—
Lee Pak Tung	2,766,448	—	—
Wat Kwing Cheung, Alexander	228,000	—	—
Hui Chi Kuen, Thomas	100,000	—	—

Notes:

- (a) The shares are held by Lees International Investments Limited, a company beneficially owned by Mr. Lee Tat Hing.
- (b) 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
Wat Kwing Cheung, Alexander	Hong Kong PVC Placemat Manufacturing Company Limited	75,000
	World Houseware Producing (China) Company Limited	500,000

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 or their associates had any interests 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 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 Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

SHARE OPTIONS AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at the Latest Practicable Date, the following options were granted to the directors of the Company and employees of the Group to subscribe for shares in the Company.

	Date of grant	Exercisable period	Exercise price HK\$	Number of share options outstanding
Directors:				
Lee Tat Hing	19.2.2000	19.8.2000 — 18.2.2005	0.32	860,000
Fung Mei Po	19.2.2000	19.8.2000 — 18.2.2005	0.32	800,000
Lee Chun Sing	19.2.2000	19.8.2000 — 18.2.2005	0.32	800,000
Lai Lai Wah	19.2.2000	19.8.2000 — 18.2.2005	0.32	500,000
				2,960,000
Employees	19.2.2000	19.8.2000 — 18.2.2005	0.32	1,500,000
				4,460,000

Save as disclosed in this circular, 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' AND VALUERS' 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 nor the Valuer has or 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. EXPERTS

The following is the qualifications of the Valuer who has given an opinion or advice which is contained in this circular:

Name	Qualification
Knight Frank	Professional valuer

The Valuer has confirmed that it has no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

7. CONSENTS

The Valuer had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its reports and reference to its name and letter or reports in the form and context in which it appears.

8. 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.

9. MISCELLANEOUS

- (a) The Qualified Accountant and Secretary of the Company is Mr. Choi Kwok Keung, Sanvic, CPA.
- (b) The Company's Hong Kong branch share register and transfer office is Secretaries Limited, which is situated at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (c) The circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.
- (d) 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.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during the normal business hours at any weekday (public holidays excepted) at our head office of Flat C, 18th Floor, Bold Win Industrial Building, 16-18 Wah Sing Street, Kwai Chung, New Territories, Hong Kong up to and including 18 November 2004.

- (a) The memorandum of association and bye-laws of the Company;
- (b) The valuation report on the Property from Knight Frank dated 29 October 2004, the text of which is set out in Appendix I to this circular;
- (c) The written consents of the Valuer referred to in the section headed "CONSENTS" of this Appendix; and
- (d) The audited consolidated financial statements of the Company and its subsidiaries for the two financial years ended 31 December 2002 and 2003.