
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 A PROPERTY

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DEFINITIONS

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

“Board”	the board of Directors
“Car Parking Space”	ALL THOSE 13 equal undivided 80,444 th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO.6277 And of and in the messuages erections and buildings thereon now known as “ONE BEACON HILL (畢架山1號)”, No.1 Beacon Hill Road, Kowloon (“the Estate”) TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy ALL THAT CAR PARKING SPACE NO.123 on CAR PARK A of the Estate
“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
“Flat”	ALL THOSE 91 equal undivided 80,444 th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO.6277 And of and in the messuages erections and buildings thereon now known as “ONE BEACON HILL (畢架山1號)”, No.1 Beacon Hill Road, Kowloon (“the Estate”) TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy ALL THAT FLAT A on the SIXTH FLOOR of TOWER 3 of the Estate
“Formal Agreement”	the formal agreement for sale and purchase in relation to the sale and purchase of the Property to be entered into between the Vendor and the Purchaser on or before 7 April 2005
“Group”	the Company and its subsidiaries

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	19 April 2005 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
“Property”	comprising the Flat and the Car Parking Space
“Provisional Agreement”	the provisional agreement for sale and purchase in relation to the sale and purchase of the Property dated 24 March 2005 and entered into between the Vendor and the Purchaser
“Purchaser”	Elite On Industrial 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

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 Chairwoman*)
Mr. Lee Chun Sing (*Vice Chairman*)
Ms. Lai Lai Wah
Mr. Lee Pak Tung

Non-executive Director:

Mr. Cheung Tze Man, Edward

Independent Non-executive Directors:

Mr. Wong Kong Chi
Mr. Hui Chi Kuen, Thomas
Mr. Ho Tak Kay

Registered office:

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

*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

20 April 2005

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL OF A PROPERTY

1. INTRODUCTION

By an announcement dated 31 March 2005, 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\$12,300,000.

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 5% of the market capitalization of the Group for the last five trading days prior to the date of the Formal Agreement for sale and purchase, the Disposal of the Property 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 AGREEMENT

Date

24 March 2005

Parties

The Vendor; and

The Purchaser

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 18 May 2005;
- (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 loans in respect of the Property on the Date of Completion.

LETTER FROM THE BOARD

Property

The Property comprising the Flat and the Car Parking Space is situated at No.1 Beacon Hill Road, Kowloon, Hong Kong. The Property is currently vacant. The total saleable floor area of the Flat is approximately 1,384 square feet. The Flat and the Car Parking Space were acquired by the Vendor in March 2003 and in September 2004 respectively at an aggregate consideration (together with relevant costs) of approximately HK\$8,578,000 and the carrying value (including sales agent commission) of the Property as at 24 March 2005 was approximately HK\$8,966,000.

Consideration

The consideration for the Disposal is HK\$12,300,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) A deposit of HK\$500,000 has been paid to the Vendor upon the signing of the Provisional Agreement;
- (b) A further deposit of HK\$730,000 was paid to the Vendor upon the signing of the Formal Agreement for sale and purchase; and
- (c) The remaining balance of HK\$11,070,000 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 sustain.

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 recent market value of comparable properties. No professional valuation has been made by the Vendor for the purpose of the sale.

3. FINANCIAL EFFECTS ON THE DISPOSAL OF THE COMPANY

It is estimated that the Disposal of the property will result in a gain on disposal to the Company from the net sale proceeds of approximately HK\$3,334,000 for the year ending 31 December 2005 based on the carrying value (including sales agent commission) of the Property of approximately HK\$8,966,000 as at 24 March 2005.

LETTER FROM THE BOARD

After the repayment of all outstanding mortgage loans 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\$8,943,000 in cash. Accordingly, the Disposal has a positive effect on the Group's working capital position.

The Property represents approximately 0.8% and 0.68% of the consolidated total assets as at 31 December 2003 and 31 December 2004 of the Company respectively.

4. REASONS FOR THE DISPOSAL

The Property comprising the Flat and the Car Parking Space were respectively acquired in March 2003 and September 2004 for investment purpose by the Group and had been used for such purpose up to the date of the Disposal.

The Board considers the terms of the Disposal is fair and reasonable and is in the interests of the Group and the Shareholders as a whole by reference to the recent market value of comparable properties. No professional valuation has been made by the Vendor for the purpose of the sale.

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.

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 loans relating to the Property in the amount of approximately HK\$3,357,000 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, PVC pipes and fittings and property investment.

LETTER FROM THE BOARD

7. 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

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		
	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	—	—
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

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 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 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, 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 and Secretary of the Company is Mr. Choi Kwok Keung, Sanvic, HKICPA.
- (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.

8. 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, 18/F, Bold Win Industrial Building, 16-18 Wah Sing Street, Kwai Chung, New Territories, Hong Kong up to and including 29 April 2005.

- (a) The memorandum of association and bye-laws of the Company; and
- (b) The audited consolidated financial statements of the Company and its subsidiaries for the two financial years ended 31 December 2003 and 2004.