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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 A PROPERTY**

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# CONTENTS

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	<i>Page</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
Details of the Agreement .....	4
Financial Effects on the Disposal of the Company .....	6
Reasons for the Disposal .....	6
Use of the Proceeds from the Disposal .....	7
Information of the Vendor and the Company .....	7
General .....	7
<b>Appendix — General Information</b> .....	8

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## DEFINITIONS

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*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 Property dated 3 September 2005 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
“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	27 September 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”	ALL THOSE 88 equal undivided 534,325th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as KOWLOON INLAND LOT NO.11056 And of and in the messuages erections and buildings constructed or now under construction thereon now know as “LAGUNA VERDE (海逸豪園)” (“the Estate”) TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy ALL THAT FLAT C on the 7TH FLOOR of TOWER 15A of COSTA DEL SOL (悦濤灣) (Phase II B) of the Estate

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## DEFINITIONS

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“Purchaser”	Mr. Hsieh Ming Chiu and Ms. Chan Chau Hung, are independent third parties of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	World Houseware Producing Company Limited, a wholly owned subsidiary of the Company

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## LETTER FROM THE BOARD

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# 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  
Mr. Choi Kwok Keung Sanvic  
Madam Chan Lai Kuen Anita

*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

29 September 2005

*To the Shareholders*

Dear Sir/Madam,

### DISCLOSEABLE TRANSACTION

### DISPOSAL OF A PROPERTY

#### 1. INTRODUCTION

By an announcement dated 12 September 2005, the Company announced that the Vendor, a wholly owned subsidiary of the Company, had entered into the Agreement for Sale and Purchase with the Purchaser, being an independent third party whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Property at an aggregate consideration of HK\$8,800,000.

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## LETTER FROM THE BOARD

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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 Property represents for 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**

3 September 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) Formal Agreement for Sale and Purchase shall be entered into between the Vendor and the Purchaser on or before 16 September 2005 and the Date of Completion of the Agreement shall be on or before 18 October 2005;
- (b) Vacant possession of the Property shall be given to the Purchaser on the Date of Completion; and
- (c) The Property shall be sold to the Purchaser free from any incumbrances.

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## LETTER FROM THE BOARD

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### **Property**

The Property is a residential flat situated in Flat C, 7th Floor, Tower 15A, Costa Del Sol (Phase II B), Laguna Verde, No. 8 Laguna Verde Avenue, Hung Hom, Kowloon, Hong Kong. The total saleable floor area of the Flat is approximately 1,384 square feet. The Flat was acquired by the Vendor as an uncompleted building from the developer on 27 September 1999 and the Property was later completed and possession was delivered by the developer to the Vendor on 4 August 2000. The aggregate consideration for the purchase (together with relevant costs) was approximately HK\$8,262,000.

The purchase of the Property was first financed through the mortgage loan with the DBS Bank (Hong Kong) Limited but all mortgage loan in respect of the Property had been fully repaid by the Vendor last year and the Vendor is now arranging for the release of the Property with the DBS Bank (Hong Kong) Limited.

The Property was used by the Group for leasing purpose until 7 February 2005 and is currently vacant.

A professional valuation which had been done by a professional independent valuer (including all relevant costs) of the Property as at 31 December 2004 was approximately HK\$8,418,000.

### **Consideration**

The consideration for the Disposal is HK\$8,800,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) A deposit of HK\$264,000 has been paid to the Vendor upon the signing of the Agreement;
- (b) A further deposit of HK\$616,000 was paid to the Vendor upon the signing of the Formal Agreement for sale and purchase; and
- (c) The remaining balance of HK\$7,920,000 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 on completion 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.

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## LETTER FROM THE BOARD

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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 and the professional valuation made by the Vendor on 31 December 2004.

### **3. FINANCIAL EFFECTS ON THE DISPOSAL OF THE COMPANY**

It is estimated that on the Disposal of the property the Company is expected to record a gain from the net sale proceeds of approximately HK\$382,000 for the year ending 31 December 2005 based on the professional valuation (including all relevant costs) of the Property of approximately HK\$8,418,000 as at 31 December 2004.

According to the unaudited management accounts of the Vendor for the six months period ended 30 June 2005, the revenue and net profits (before and after taxation and extraordinary items) attributable to the Property for that period was HK\$60,000 and approximately HK\$42,000 respectively. According to the audited financial statements of the Vendor for the year ended 31 December 2004, the revenue and net profits (before and after taxation and extraordinary items) attributable to the Property for that year was HK\$318,000 and approximately HK\$274,000 respectively. According to the audited financial statements of the Vendor for the year ended 31 December 2003, the revenue and net profits (before and after taxation and extraordinary items) attributable to the Property for that year was HK\$351,000 and HK\$305,000 respectively.

The Disposal of the property will have a positive effect on the Group's working capital position as the Group will retain in excess of an estimated HK\$8,682,000 in cash.

The Disposal of the property is not expected to have any material impact on the consolidated total assets of the Company which represents approximately 0.64% as at 31 December 2004. The Directors also do not expect the Disposal will have any material impact on the liabilities of the Company.

### **4. REASONS FOR 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 and the professional valuation made by the Vendor on 31 December 2004.

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



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## LETTER FROM THE BOARD

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### 5. USE OF THE PROCEEDS FROM THE DISPOSAL

The Company intends that the net proceeds from the Disposal will be used for working capital purpose.

### 6. INFORMATION OF THE VENDOR AND THE COMPANY

The Vendor is engaged in trading of household products 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.

### 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*

## 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	—	—
Kwong Bau To	1,087,103	—	—
Chan Lai Kuen Anita	2,623	—	—

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:

<b>Name of director</b>	<b>Name of subsidiary</b>	<b>Number of deferred non-voting shares held</b>
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 Hong Kong PVC Placemat Manufacturing Company Limited	50 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, AHKICPA.
- (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.