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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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DEFINITIONS

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

“Agreement”	the legally binding provisional agreement for sale and purchase (房地產買賣合同) in relation to the sale and purchase of the Property dated 9 February 2007 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 of the Property in Shenzhen City (深圳市房地產買賣合同) to be entered into between the Vendor and the Purchaser on the Date of Completion and the major terms and conditions has no difference with the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	9 March 2007 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”	A Property situated at 18/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第十八層)

DEFINITIONS

“Purchaser”	Bo Hai Wen Ke Ji (Shenzhen) Company Limited (博海文科技(深圳)有限公司), a company incorporated in the PRC, is mainly engaged in property holding, information technology and software development
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Gold Earn (Hong Kong) Limited (金富旺(香港)有限公司), a company incorporated in Hong Kong which is a wholly owned subsidiary of the Company

For the purpose of illustration only and unless otherwise stated, the conversion of HK\$ into RMB is based on the exchange rate of HK\$100 to RMB99.60. Such conversion should be construed as a representation that the amount in question has been, could have been or could be exchanged at such rates.

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
Mr. Choi Kwok Keung Sanvic
Madam Chan Lai Kuen Anita

Non-executive Director:

Mr. Cheung Tze Man Edward

Independent Non-executive Directors:

Mr. Hui Chi Kuen Thomas
Mr. Ho Tak Kay
Mr. Tang King Hung

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

13 March 2007

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

DISPOSAL OF A PROPERTY

1. INTRODUCTION

By an announcement dated 16 February 2007, the Company announced that the Vendor, Gold Earn (Hong Kong) Limited (金富旺(香港)有限公司) a wholly owned subsidiary of the Company had entered into a legally binding Agreement for Sale and Purchase with an independent third party Purchaser, Bo Hai Wen Ke Ji (Shenzhen) Company

LETTER FROM THE BOARD

Limited (博海文科技(深圳)有限公司), whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Property at an aggregate consideration of RMB22,197,240 (equivalent to approximately HK\$22,286,386).

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 third parties independent of 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 (as the Company's shares had been suspended since 6 September 2006, the last five trading days information were based on the last five trading days before the date of suspension of the Company's shares) prior to the date of the Agreement for sale and purchase, the Disposal of the Property constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Trading of the Company's shares had been suspended since 6 September 2006 as remained to be suspended until further notice.

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

9 February 2007

Parties

The Vendor; and

The Purchaser

Property

The Property is situated at 18/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第十八層). The total saleable floor area of the Property is approximately 1,432.08 square meter. The Property was held for investment purpose and was not in use since its acquisition and is currently vacant. The Property was acquired by the Vendor in April 2004 and the aggregate consideration for the purchase (together with relevant costs amounted to HK\$204,914) was approximately HK\$11,653,326.

LETTER FROM THE BOARD

Consideration

The consideration for the Disposal is RMB22,197,240 (equivalent to approximately HK\$22,286,386) which shall be paid by the Purchaser to the Vendor by cash in the following manner:

- (a) An initial deposit of RMB100,000 (equivalent to approximately HK\$100,402) has been paid to the Vendor prior to the signing of the Agreement;
- (b) A deposit of RMB6,500,000 (equivalent to approximately HK\$6,526,104) has been paid to the Vendor within 2 days after the signing of the Agreement; and
- (c) The remaining balance of RMB15,597,240 (equivalent to approximately HK\$15,659,880) shall be paid on the Date of Completion.

Default Payment

- (a) If the Purchaser shall fail to complete the sale and purchase of the Property 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 the Agreement shall then be treated as null and void and the Vendor shall not make any further claim against the Purchaser. If the Vendor shall fail to complete the Property all deposits shall be returned to the Purchaser together with an equivalent sum equal to the amount of the deposits paid to the Vendor as penalty and the Agreement shall be treated as null and void and the Purchaser shall not make any further claim against the Vendor; OR
- (b) Alternatively, the party which is not in default may at its sole discretion choose not to enforce the default payment as stipulated in (a) above but to demand the defaulting party to pay a sum of RMB3,000,000 (equivalent to approximately HK\$3,012,048) as compensation for failing to complete the sale and purchase of the Property.

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 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

Conditions for the Completion of the Disposal

- (a) As initial and further deposits had already been paid by the Purchaser to the Vendor, the remaining balance of the consideration for the Disposal shall be paid by the Purchaser to the Vendor on the Date of Completion which shall be a date on or before 31 March 2007;
- (b) Formal Agreement shall be entered into between the Vendor and the Purchaser on the Date of Completion which shall be a date on or before 31 March 2007; and
- (c) Vacant possession of the Property shall be given to the Purchaser on the Date of Completion.

3. FINANCIAL EFFECTS ON THE DISPOSAL OF THE COMPANY

Upon completion of the Disposal of the Property, the Company is expected to receive a total sum of RMB22,197,240 (equivalent to approximately HK\$22,286,386). It is estimated that the Company has to pay relevant PRC taxes of approximately RMB5,374,425 (equivalent to approximately HK\$5,396,009) and other cost to disposal of approximately HK\$509,357. Based on the unaudited carrying value of the Property of approximately HK\$12,231,935 as at 31 December 2006 as recorded in the financial statements of the Group together with relevant PRC taxes and other cost to disposal, it is estimated that on the Disposal of the Property the Company is expected to record a gain of approximately HK\$4,149,085 for the year ending 31 December 2007.

According to the audited financial statements of the Vendor for the year ended 31 December 2005 and 31 December 2004, there was no profit/loss recognized in relation to the Disposal of the Property for the respective years. According to the unaudited financial statements of the Vendor for the year ended 31 December 2006, there was no profit/loss recognized in relation to the Disposal of the Property for that year.

The Disposal of the property will have a positive effect on the Group's working capital position as the Group will retain a net sale proceeds of approximately HK\$16,381,020 after the Disposal.

The Disposal of the property is not expected to have any material impact on the audited consolidated total assets and liabilities of the Group which represents approximately 1.7% and 4.2% as at 31 December 2005 respectively.

LETTER FROM THE BOARD

4. REASONS FOR THE DISPOSAL

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.

5. USE OF THE PROCEEDS FROM THE DISPOSAL

The Company intends that the net sale proceeds of approximately HK\$16,381,020 (after deducting relevant PRC taxes of approximately RMB5,374,425 (equivalent to approximately HK\$5,396,009) and other cost to disposal of approximately HK\$509,357) from the Disposal will be used for the repayment of certain scheduled terms loan in the amount of approximately HK\$6,555,000 and the remaining balance in the amount of approximately HK\$9,826,020 will be used for working capital purpose.

6. INFORMATION OF THE VENDOR AND THE COMPANY

The Vendor is engaged in property investment in Hong Kong 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				Total	Percentage of shareholding
	Personal interests	Family interests	Corporate interests	Other interests		
Lee Tat Hing	1,756,072	37,395,087 (a)	28,712,551 (e)	280,895,630 (f)	348,759,340	51.56%
Fung Mei Po	37,395,087	30,468,623 (b)	—	280,895,630 (f)	348,759,340	51.56%
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	1,087,103	—	—	—	1,087,103	0.16%
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 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 26th Floor, Tesbury Centre, 28 Queen's Road East, 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.