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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 provisional agreement for sale and purchase in relation to the sale and purchase of the Property dated 26 February 2008 and entered into between the Vendor and the Purchaser |
| “Board” | the board of Directors |
| “Car Parking Space” | ALL THOSE 13 equal undivided 23,341 parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as KOWLOON INLAND LOT NO. 11143 And of and in the whole of the development constructed thereon and now known as “SKY GARDEN”, No. 223 of Prince Edward Road West, Kowloon, Hong Kong (“the Development”) TOGETHER with the exclusive right and privilege to hold use occupy and enjoy ALL THAT CAR PARKING SPACE NO. 3 on the 3RD FLOOR of the Development |
| “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 23 April 2008 |
| “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 121 equal undivided 23,341 parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as KOWLOON INLAND LOT NO. 11143 And of and in the whole of the development constructed thereon and now known as “SKY GARDEN”, No. 223 of Prince Edward Road West, Kowloon, Hong Kong (“the Development”) TOGETHER with the exclusive right and privilege to hold use occupy and enjoy ALL THAT UNIT E on the 26TH FLOOR of the Development |

DEFINITIONS

| | |
|---------------------------|--|
| “Formal Agreement” | the formal agreement for sale and purchase in relation to the sale and purchase of the Property dated 6 March 2008 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” | 13 March 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 |
| “Property” | Comprising the Flat and the Car Parking Space |
| “Purchaser” | Ms. Hsueh Sen, an independent third party not connected with the Company and its connected persons |
| “Shareholders” | shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Gold Quality Holdings Limited, a company incorporated in Hong Kong 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)
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

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

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

18 March 2008

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION DISPOSAL OF A PROPERTY

1. INTRODUCTION

By an announcement dated 3 March 2008, the Company announced that the Vendor, a wholly owned subsidiary of the Company, had entered into the Agreement 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\$18,180,000.

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 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 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

26 February 2008

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 shall be entered into between the Vendor and the Purchaser on or before 6 March 2008 and the Date of Completion of the Agreement shall be on or before 23 April 2008;
- (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 encumbrances.

The Formal Agreement was later signed on 6 March 2008.

LETTER FROM THE BOARD

Property

The Property comprising the Flat and the Car Parking Space is situated at No. 223 Prince Edward Road West, Kowloon, Hong Kong. The Property is currently vacant. The total saleable floor area of the Flat is approximately 1,647 square feet. The Flat and the Car Parking Space were acquired by the Vendor on 9 February 2004 and 5 October 2004 respectively at an aggregate consideration for HK\$13,178,021 and the carrying value (including all relevant costs) of the Property as at 31 January 2008 was approximately HK\$13,800,000.

A professional valuation made by Knight Frank Petty Limited, a qualified professional independent valuer, which was based on the market value of comparable properties (including all relevant costs) of the Property as at 30 June 2007 was approximately HK\$13,800,000.

Consideration

The consideration for the Disposal is HK\$18,180,000 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 on 26 February 2008 upon the signing of the Agreement;
- (b) A further deposit of HK\$1,318,000 has been paid upon the signing of the Formal Agreement on 6 March 2008; and
- (c) The remaining balance of HK\$16,362,000 shall be paid on the Date of Completion.

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 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 sale and purchase of the Property on the Date of 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.

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 30 June 2007.

LETTER FROM THE BOARD

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\$4,300,000 for the year ending 31 December 2008 based on the carrying value (including all relevant costs) of the Property of approximately HK\$13,800,000 as at 31 January 2008.

The Property comprising the Flat and the Car Parking Space were respectively acquired on 9 February 2004 and 5 October 2004 and held for investment purpose by the Group. Rental income received in 2006 and 2007 were HK\$400,000 and HK\$440,000 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 of HK\$18,000,000 in cash.

The Disposal of the property is not expected to have any material impact on the consolidated total assets and liabilities of the Company which represents approximately 1.05% and 2.77% as at 31 December 2006 respectively.

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 30 June 2007.

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 to apply the entire proceeds for the Group's general working capital purpose.

LETTER FROM THE BOARD

6. INFORMATION OF THE VENDOR AND THE COMPANY

The Vendor is engaged in the 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 | 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.