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世界（集團）有限公司
WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 713)

DISCLOSEABLE TRANSACTION: RESUMPTION OF LAND

The Board announces that on 28 December 2006, World Houseware Producing Company Limited a wholly owned subsidiary of the Company had entered into the Formal Agreement with an independent third party Guangshen Railway Company Limited (廣深鐵路股份有限公司) for the resumption by the National Land Bureau of PRC (國土資源和房產管理局) for use by Guangshen Railway Company Limited of certain land held by World Houseware Producing Company Limited at an aggregate consideration of RMB11,000,000 (equivalent to approximately HK\$10,924,000).

The Resumption of the Land constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will send a circular containing, among other things, the details of the Resumption of the Land to the Shareholders as soon as practicable.

THE FORMAL AGREEMENT

Date

28 December 2006

Parties

- (a) Party A; and
- (b) Party B

Subject matter of the Formal Agreement

Pursuant to the Formal Agreement entered between Party A and Party B, Party A agreed to surrender and the National Land Bureau (國土資源和房產管理局) agreed to resume the Land for use by Party B subject to the following terms:

- (a) The Resumption of the Land shall include the land buildings and structures erected thereon and the compensation for the future economic loss of Party A;

- (b) The National Land Bureau (國土資源和房產管理局) shall compensate Party A for the land, buildings and structures erected thereon;
- (c) Party B shall compensate Party A for the future economic loss of Party A as a result of the Resumption of the Land;
- (d) Party A will transfer the Land to Party B within six days of signing of the Formal Agreement that is on 2 January 2007; and
- (e) Party B shall construct a retaining wall separating the Land with the remaining land of Party A and all cost incurred incidental to the construction and maintenance of the retaining wall shall be borne by Party B solely.

The National Land Bureau (國土資源和房產管理局) is not a party to the Formal Agreement and it is not involved in the negotiation between Party A and Party B. However as the Land is a state-owned land, the National Land Bureau (國土資源和房產管理局) takes part in the negotiation regarding the compensation for the land and buildings, the Resumption of the Land must be made through the National Land Bureau (國土資源和房產管理局) which is also responsible for the payment of the compensation for the land buildings and structures to Party A.

The compensation for the land and buildings will be paid by the National Land Bureau (國土資源和房產管理局) to Party A direct.

The Land

The Land including of the certain land and buildings erected thereon is located at No.G05701-4 Zongdi, Shansha Village, Pinghu Street, Longgang District, Shenzhen City, Guangdong Province, the PRC (中國廣東省深圳市龍崗區平湖街道山廈村G05701-4號宗地). The total site area is approximately 2,350.17 square meters and is used for industrial purpose.

The original cost for the acquisition of the Land in February 1994 was approximately RMB1,211,480 (equivalent to approximately HK\$1,203,059).

Consideration

The aggregate consideration for the Resumption of the Land is approximately RMB11,000,000 (equivalent to approximately HK\$10,924,000) which include the land and buildings for RMB1,092,153 (equivalent to approximately HK\$1,085,000) and the compensation for the future economic loss of Party A for RMB9,907,847 (equivalent to approximately HK\$9,839,000) shall be paid to Party A in the following manner:

- (a) The sum of RMB9,907,847 (equivalent to approximately HK\$9,839,000) being the compensation for the future economic loss shall be paid by Party B to Party A within ten days upon the signing of the Formal Agreement. If not due to the default of Party A, Party B shall fail to pay the said sum within 3 days after the date for payment is due, Party B shall pay an additional sum of 0.5% each day until the actual date of payment as penalty for late payment; and

- (b) The remaining balance of RMB1,092,153 (equivalent to approximately HK\$1,085,000) being the compensation for the land and buildings shall be paid by the National Land Bureau (國土資源和房產管理局) to Party A. If not due to the default of Party A, the National Land Bureau (國土資源和房產管理局) shall fail to pay the said sum, Party B shall pay the said sum to Party A but in any event such payment shall not be made later than three months upon the signing of the Formal Agreement.

The consideration regarding the compensation of the future economic loss is arrived at after an arm's length negotiation between Party A and Party B whereas the consideration regarding the compensation of the land buildings and structures is arrived at after an arm's length negotiation between Party A and the National Land Bureau (國土資源和房產管理局). On both cases the considerations are also made by reference to the comparable market value of land of similar nature. The Board considers the terms and the consideration of the Resumption of the Land are fair and reasonable and are in the interests of the Group and the Shareholders as a whole by reference to the similar market value of comparable land. No professional valuation has been made by Party A for the purpose of the Resumption of the Land.

INFORMATION OF PARTY B

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Party B and the ultimate beneficial owner of Party B are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

REASONS FOR THE RESUMPTION OF THE LAND

The Land was acquired in February 1994 for industrial use by the Group and had since then never changed its purpose.

The Board considers the terms of the Resumption of the Land is fair and reasonable and is in the interests of the Group and the Shareholders as a whole by reference to the similar market value of comparable land. No professional valuation has been made by Party A for the purpose of the Resumption of the Land.

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

USE OF THE PROCEEDS FROM THE RESUMPTION OF THE LAND

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

It is estimated that on the Resumption of the Land, the Company is expected to record a gain from the net sale proceeds of approximately RMB8,890,000 (equivalent to approximately HK\$8,828,000) for the year ending 31 December 2006 based on the carrying value (including all relevant costs) of the Land of approximately RMB2,110,000 (equivalent to approximately HK\$2,096,000) as at 30 November 2006.

According to the audited financial statements of Party A for the year ended 31 December 2005, there was no revenue recognized for that year and net loss (before and after taxation and extraordinary items) attributable to the Land for that year was approximately RMB33,942 (equivalent to approximately HK\$33,706). According to the audited financial statements of Party A for the year ended 31 December 2004, there was no revenue recognized for that year and net loss (before and after taxation and extraordinary items) attributable to the Land for that year was RMB33,942 (equivalent to approximately HK\$33,706).

GENERAL

Party A is engaged in trading in 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.

The Resumption of the Land constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Company will send a circular containing, among other things, the details of the Resumption of the Land to the Shareholders as soon as practicable.

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

“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
“Directors”	the directors of the Company from time to time
“Formal Agreement”	the formal agreement for the resumption by the National Land Bureau (國土資源和房產管理局) for use by Party B of the Land dated 28 December 2006 and entered into between Party A and Party B
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Land”	including the land and buildings erected thereon at No.G05701-4 Zongdi, Shansha Village, Pinghu Street, Longgang District, Shenzhen City, Guangdong Province, the PRC (中國廣東省深圳市龍崗區平湖街道山廈村G05701-4號宗地)
“Party A”	World Houseware Producing Company Limited, a company incorporated in Hong Kong which is a wholly owned subsidiary of the Company
“Party B”	Guangshen Railway Company Limited (廣深鐵路股份有限公司)
“PRC”	People’s Republic of China
“Resumption of the Land”	the resumption of the Land by the National Land Bureau (國土資源和房產管理局) for use by Party B pursuant to the Formal Agreement

“Shareholders” shareholders of the Company

“Stock Exchange” The Stock Exchange of Hong Kong Limited

By Order of the Board

Lee Tat Hing

Chairman

Hong Kong, 29 December 2006

As at the date of this announcement, the executive directors of the Company are Mr. Lee Tat Hing, Madam Fung Mei Po, Mr. Lee Chun Sing, Madam Lai Lai Wah, Mr. Lee Pak Tung, Mr. Kwong Bau To, Mr. Choi Kwok Keung Sanvic and Madam Chan Lai Kuen Anita; the non-executive director of the Company is Mr. Cheung Tze Man Edward; the independent non-executive directors of the Company are Mr. Hui Chi Kuen Thomas, Mr. Ho Tak Kay and Mr. Tang King Hung.

Please also refer to the published version of this announcement in The Standard.