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WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 713)

DISCLOSEABLE TRANSACTION DISPOSAL OF LAND USE RIGHT

The Board announces that on 8 December 2010, the Vendor, a wholly owned subsidiary of the Company had entered into a legally binding Agreement with an independent third party Purchaser in which the Vendor agreed to sell and the Purchaser agreed to purchase the Land Use Right at a consideration of RMB27,144,801 (equivalent to approximately HK\$31,637,297).

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

THE AGREEMENT

Date

8 December 2010

Parties

- (a) The Vendor; and
- (b) The Purchaser

Subject matter of the Agreement

Pursuant to the Agreement, the Vendor agreed to sell and the Purchaser agreed to purchase the Land Use Right subject to the following terms:

- (a) Date of Completion shall be a date on or before 31 March 2011;
- (b) Vacant possession of the Land shall be given to the Purchaser on the Date of Completion.

Asset to be disposed

The Land located at Chong Bian Village, Sha Xi Town, Zhongshan City, Guangdong Province, the PRC (中國廣東省中山市沙溪鎮涌邊村) with a total site area of 67,024.20 square meters for industrial purpose and at present, no building is constructed on it.

The Land Use Right has a tenure until 30 December 2056.

Consideration

The consideration for the Disposal is RMB27,144,801 (equivalent to approximately HK\$31,637,297) which shall be paid by the Purchaser to the Vendor by three separate installments in the following manner:

- (a) First installment of RMB10,857,920 (equivalent to approximately HK\$12,654,918) shall be paid within five days upon execution of the Agreement;
- (b) Second installment of RMB8,143,440 (equivalent to approximately HK\$9,491,189) shall be paid within 5 days after the execution and submission of the documentations for the transfer of Land Use Right (土地使用權證過戶手續文件). The acknowledgement receipt for the documents submitted (收文回執) which is used for the collection of the new land use right certificate will be temporarily kept by the Vendor until the remaining balance has been received by the Vendor; and
- (c) The remaining balance of RMB8,143,441 (equivalent to approximately HK\$9,491,190) shall be paid within 21 days after the execution of the documents for the transfer of Land Use Right (土地使用權證過戶手續文件) but in any event the payment of the remaining balance shall not be later than the Date of Completion. After the remaining balance has been paid to the Vendor, the Vendor shall return the acknowledgement receipt for the documents submitted (收文回執) to the Purchaser to collect the new land use right certificate.

Should the Vendor fail to complete the sale in the manner set out in the Agreement, the Vendor shall refund all installments paid by the Purchaser together with the amount equivalent to half of the installments received by the Vendor as liquidated damages.

Should the Purchaser fail to complete the purchase in the manner set out in the Agreement, the Vendor has the right to forfeit the amount equivalent to half of the installments paid to the Vendor as liquidated damages.

The consideration was arrived at after an arm's length negotiation between the Vendor and the Purchaser by reference to the average prices of similar industrial land in the neighbouring area and the prevailing market value of similar industrial lands in Guangdong Province. No professional valuation has been made by the Vendor for the purpose of the sale.

INFORMATION OF THE PURCHASER

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).

REASONS FOR THE DISPOSAL

It was the intention of the Group to construct a production plant when the Land Use Right was originally purchased. Owing to the change of the Group's strategy, the Board considers that it is not necessary to use the Land to construct a production plant in future. As the market value of the Land Use Right is appreciated recently, the Board considers it is a right time to dispose of the Land Use Right.

USE OF THE PROCEEDS FROM THE DISPOSAL

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

It is estimated that on the Disposal of the Land Use Right, the Company is expected to record a gain from the net sale proceeds of approximately RMB15,323,000 (equivalent to approximately HK\$17,859,000) based on the unaudited carrying value of the Land Use Right (including all relevant costs) of approximately RMB11,792,000 (equivalent to approximately HK\$13,744,000) as at 30 November 2010.

GENERAL

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 Vendor is engaged in the manufacturing of PVC and fabric household products and operating recycling and reborn resources related business.

The Disposal of the Land Use Right constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

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

“Agreement”	the agreement for sale and purchase in relation to the sale and purchase of the Land Use Right dated 8 December 2010 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 which shall be a date on or before 31 March 2011
“Directors”	the directors of the Company from time to time
“Disposal”	the disposal of the Land Use Right by the Group pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land”	a piece of land with land use right certificate number (2007)240313 located at Chong Bian Village, Sha Xi Town, Zhongshan City, Guangdong Province, the PRC (中國廣東省中山市沙溪鎮涌邊村土地使用証中府國用(2007)第240313號)
“Land Use Right”	the land use right of the Land
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China

“Purchaser”	The People’s Government of Sha Xi Town Zhongshan City, 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”	South China Reborn Resources (Zhongshan) Company Limited (華南再生資源(中山)有限公司) is a company incorporated in PRC which is 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 RMB85.8. 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.

By Order of the Board
Lee Tat Hing
Chairman

Hong Kong, 8 December 2010

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, Mr. Lee Pak Tung 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. Tsui Chi Him Steve, Mr. Hui Chi Kuen Thomas and Mr. Ho Tak Kay.