



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

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 713)

MAJOR TRANSACTION: DISPOSAL OF A PROPERTY

The Board announces that on 25 August 2006, the Vendor a wholly owned subsidiary of the Company had entered into the Agreement for Sale and Purchase with an independent third party Purchaser whereby the Vendor agreed to sell and the Purchaser agreed to purchase the Property at an aggregate consideration of HK\$47,500,000.

The Disposal of the Property constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. Accordingly, the Disposal is subject to the approval by the Shareholders at an EGM.

Goldhill Profits Limited, Lees International Investments Limited, Mr. Lee Tat Hing and Madam Fung Mei Po, the Major Joint Shareholders of the Company, are collectively and beneficially entitled to 348,759,340 shares in the issued share capital of the Company (approximately 51.56% of the issued share capital of the Company). The Major Joint Shareholders do not have any interest in the Disposal which is different to other Shareholders of the Company. The Major Joint Shareholders have given their written approval for the Disposal. After making necessary enquiries, no shareholder is required to abstain from voting if the Company were to approve the Disposal at an EGM. The Company is underway to justify the Major Joint Shareholders' voting patterns to conform with their usual voting patterns and will resolve whether an EGM to be held to approve the Disposal accordingly.

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

THE AGREEMENT

Date

25 August 2006

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 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 8 September 2006 and the Date of Completion of the Agreement shall be on or before 25 October 2006;
- (b) Vacant possession of the Property shall be given to the Purchaser on the Date of Completion; and
- (c) The Vendor shall repay all outstanding mortgage loan in respect of the Property on the Date of Completion.

Property

The Property which comprises of a house and 2 car parking spaces is situated at No.88 Wong Ma Kok Road, Hong Kong. The total saleable floor area of the Property is approximately 4,226 square feet. The Property was held for investment purpose and not in use since acquisition and is currently vacant. The Property was acquired by the Vendor in March 2004 at a consideration (together with relevant costs) of approximately HK\$44,159,553 and the carrying value of the Property as at 31 July 2006 was approximately HK\$45,240,000.

Consideration

The consideration for the Disposal is HK\$47,500,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) A deposit of HK\$2,000,000 has been paid to the Vendor upon the signing of the Agreement;
- (b) A further deposit of HK\$2,750,000 shall be paid upon the signing of the Formal Agreement for sale and purchase on or before 8 September 2006; and
- (c) The remaining balance of HK\$42,750,000 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 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. 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 is engaged in property holding and together with its 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

The Property was acquired in March 2004 and held for investment purpose by the Group and had been used for such purpose up to July 2006.

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. No professional valuation has been made by the Vendor for the purpose of the sale.

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.

USE OF THE PROCEEDS FROM THE DISPOSAL

The Company intends that part of the net proceeds from the Disposal will be used for the repayment of the mortgage loan relating to the Property in the amount of approximately HK\$38,670,050 upon completion and the remaining balance will be used for working capital purpose.

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\$2,260,000 for the year ending 31 December 2006 based on the carrying value (including all relevant costs) of the Property of approximately HK\$45,240,000 as at 31 July 2006.

According to the audited financial statements of the Vendor 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 Property for that year was approximately HK\$1,075,920. According to the audited financial statements of the Vendor 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 Property for that year was approximately HK\$420,573.

GENERAL

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.

The Disposal of the Property constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the approval by the Shareholders.

The Major Joint Shareholders of the Company are collectively and beneficially entitled to 348,759,340 shares in the issued share capital of the Company (approximately 51.56% of the issued share capital of the Company). The Major Joint Shareholders do not have any interest in the Disposal which is different to other Shareholders of the Company. The Major Joint Shareholders have given their written approval for the Disposal. After making necessary enquiries, no shareholder is required to abstain from voting if the Company were to approve the Disposal at an EGM. The Company is underway to justify the Major Joint Shareholders' voting patterns to conform with their usual voting patterns and will resolve whether an EGM to be held to approve the Disposal accordingly.

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

In this announcement, 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 25 August 2006 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
"EGM"	an extraordinary general meeting of the Company to be held to approve the Disposal and the transactions contemplated thereto (if required)
"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
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Property"	All Those 39 equal undivided 9,960th parts or shares of and in All That piece or parcel of land known and registered in the Land Registry as RURAL BUILDING LOT NO.1138 and of and in the messuages erections and buildings constructed thereon known as "REGALIA BAY (富豪海灣)" ("the Development"), No.88, Wong Ma Kok Road, Hong Kong TOGETHER with the exclusive right and privilege to hold use occupy and enjoy ALL THAT unit known as HOUSE NO.A22 (including its 2 car parking spaces) of the Development
"Purchaser"	Great Genius Investments Limited, in independent third party of the Company
"Major Joint Shareholders"	Goldhill Profits Limited, which is wholly-owned by a discretionary trust of which Messrs. Lee Tat Hing and Lee Chun Sing (the son of Mr. Lee Tat Hing) and Madam Fung Mei Po are discretionary objects, is beneficially entitled to 280,895,630 shares in the issued share capital of the Company; Lees International Investments Limited, a company beneficially owned by Mr. Lee Tat Hing, is beneficially entitled to 28,712,551 shares in the issued share capital of the Company; Mr. Lee Tat Hing, the Chairman of the Company, is beneficially entitled to 1,756,072 shares in the issued share capital of the Company and Madam Fung Mei Po, the Vice-Chairperson and Chief Executive Officer of the Company and the wife of Mr. Lee Tat Hing, is beneficially entitled to 37,395,087 shares in the issued share capital of the Company; collectively are beneficially entitled to 348,759,340 shares in the issued share capital of the Company (approximately 51.56% of the issued share capital of the Company)
"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

By Order of the Board  
Lee Tat Hing  
Chairman

Hong Kong, 28 August 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.