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WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 713)

MEMORANDUM OF UNDERSTANDING

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to announce that on 28 March 2005, World Houseware Producing Company Limited, a wholly-owned subsidiary of the Company, entered into the MOU in relation to proposed cooperation with 中山市沙溪對外加工裝配服務公司.

The Board wishes to emphasise that the MOU is non-legally binding and any proposed investments mentioned therein may or may not proceed and a formal legally binding agreement may or may not be entered into. Investors and shareholders of the Company are urged to exercise caution when dealing in the shares of the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The board of directors ("Board") of World Houseware (Holdings) Limited ("Company") wishes to announce that World Houseware Producing Company Limited, a wholly-owned subsidiary of the Company, has entered into a memorandum of understanding ("MOU") dated 28 March 2005 with an independent third party of the Company which is not connected with any connected person of the Company (as defined in the Listing Rules) in relation to proposed cooperation with 中山市沙溪對外加工裝配服務公司. The total investment stated in the MOU is US\$15 million (approximately HK\$117 million).

The Board wishes to emphasise that the MOU is non-legally binding and any proposed investments mentioned therein may or may not proceed and a formal legally binding agreement may or may not be entered into. Therefore, investors and shareholders of the Company are urged to exercise caution when dealing in the shares of the Company. The Company will make further announcement as and when required under the Listing Rules.

By Order of the Board

Lee Tat Hing

Chairman and Managing Director

Hong Kong, 29 March 2005

As at the date of this announcement, the executive directors of the Company are Mr. Lee Tat Hing, Ms. Fung Mei Po, Mr. Lee Chun Sing, Ms. Lai Lai Wah and Mr. Lee Pak Tung; the non-executive director of the Company is Mr. Cheung Tze Man, Edward; the independent non-executive directors of the Company are Mr. Wong Kong Chi, Mr. Hui Chi Kuen, Thomas and Mr. Ho Tak Kay.