



WORLD HOUSEWARE (HOLDINGS) LIMITED

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

A NON-LEGALLY BINDING MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE PROPOSED ACQUISITION OF INTEREST IN WUZHOU GUANGHUA TEXTILE PRODUCT CO., LTD.

The Board wishes to announce that on 8 October 2005, World Houseware Producing Company Limited, a wholly-owned subsidiary of the Company, had entered into the MOU in relation to the Proposed Acquisition of interest in Wuzhou Guanghua Textile Product Co., Ltd. (梧州市光華紡織製品有限責任公司).

The Proposed Acquisition is in a preliminary stage and is subject to further negotiation between both parties and the terms may deviate from those contained in the MOU. If the Proposed Acquisition materializes, a formal agreement will be entered into and it may constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Company will make further announcement as and when required under the Listing Rules.

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.

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 8 October 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 a proposed acquisition of interest in Wuzhou Guanghua Textile Product Co., Ltd. (梧州市光華紡織製品有限責任公司) ("Proposed Acquisition").

The Proposed Acquisition is subject to further negotiation between the parties and the terms may deviate from those contained in the MOU. If the Proposed Acquisition is materialized, a formal agreement will be entered into between the Company and the shareholders of the Wuzhou Guanghua Textile Product Co., Ltd. in relation to the Proposed Acquisition ("Agreement") and it may constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Company will make further announcement as and when required under the Listing Rules.

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

Hong Kong, 10 October 2005

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. Wong Kong Chi, Mr. Hui Chi Kuen Thomas and Mr. Ho Tak Kay.