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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 12 October 2004, the Vendor a wholly owned subsidiary of the Company had entered into the Agreement 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\$45,000,000.

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 has applied to the Stock Exchange for a waiver from the requirement to hold an EGM to approve the Disposal pursuant to Rule 14.44 of the Listing Rules.

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

12 October 2004

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) The Date of Completion of the Agreement shall be on or before 28 December 2004; and
- (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 is situated in No.6 Wiltshire Road, Kowloon, Hong Kong. The total saleable floor area of the Property is approximately 4,181 square feet. The Property was formerly occupied by two directors of the Company as quarter and is currently vacant. The Property was acquired by the Vendor in February 2000 at a consideration (together with relevant costs) of approximately HK\$40,686,000 and the carrying value of the Property as at 30 September 2004 was approximately HK\$36,056,000.

Consideration

The consideration for the Disposal is HK\$45,000,000 which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) A deposit of HK\$4,500,000 has been paid to the Vendor upon the signing of the Agreement; and
- (b) The remaining balance of HK\$40,500,000 shall be paid on the Date of Completion.

If the Purchaser shall fail to complete the Property 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 the 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 consideration is fair and reasonable and is in the interests of the Group and the Shareholders as a whole by reference to an independent valuation which has been appraised by Knight Frank, an independent valuer who is not connected with the Company and its connected persons (as defined in the Listing Rules) for HK\$45,000,000 as at 31 August 2004.

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 is a company incorporated in Hong Kong and together with its ultimate beneficial owners 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 February 2000 as directors' quarter by the Group and had been used for such purpose up to August 2004.

The Board considers the terms of the Disposal is fair and reasonable and is in the interest of the Group and the Shareholders as a whole by reference to an independent valuation which has been appraised by Knight Frank, an independent valuer for HK\$45,000,000 as at 31 August 2004.

Given the current favourable property market condition, the Board considers it is the right time to realise the Property and 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 entirely outstanding mortgage loan relating to the Property in the amount of approximately HK\$9,738,000 and the remaining balance will be used for working capital purpose.

The Company is expected to record a profit of approximately HK\$8,944,000 for the year ending 31 December 2004 based on the carrying value of the Property of approximately HK\$36,056,000 as at 30 September 2004.

GENERAL

The Vendor is engaged in the properties holding 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 and PVC pipes and fittings.

The Disposal 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. 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 has applied to the Stock Exchange for a waiver from the requirement to hold an EGM to approve the Disposal pursuant to Rule 14.44 of the Listing Rules.

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:

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| “Disposal” | the disposal of the Property by the Group pursuant to the Agreement |
| “Agreement” | the sale and purchase agreement in relation to sale and purchase of the Property dated 12 October 2004 and entered into between the Vendor and the Purchaser |
| “Date of Completion” | the date on which completion of the Disposal takes place |
| “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 |
| “EGM” | an extraordinary general meeting of the Company to be held to approve the Disposal and the transactions contemplated thereto (if required) |
| “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 |

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| “Property” | ALL THOSE TWO equal undivided 4 th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO.4028 and of and in the messuages erections and buildings thereon known as NOS.6 and 6A WHILTSHIRE ROAD Together with the sole and exclusive right and privilege to hold use and occupy and enjoy ALL THOSE the GROUND FLOOR and the FIRST FLOOR of the said NO.6 WILTSHIRE ROAD. |
| “Purchaser” | Wiltshire Limited, a company incorporated in Hong Kong |
| “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 beneficial 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 and Managing Director 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 Executive Director 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) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Greatflow Investments Limited, a company incorporated in British Virgin Islands which is a wholly owned subsidiary of the Company |
| “Shareholders” | shareholders of the Company |

By Order of the Board
Lee Tat Hing
Chairman and Managing Director

Hong Kong, 12 October 2004

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. Wat Kwing Cheung 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.

Please also refer to the published version of this announcement in the China Daily.