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世界(集團)有限公司
WORLD HOUSEWARE (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 713)

ANNOUNCEMENT
Lease of a lot in EcoPark

This Announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board announces that on 12 October 2012, the Tenant, a wholly owned subsidiary of the Company had entered into a legally binding Lease with an independent third party Landlord in which the Landlord demises unto the Tenant from the Date of commencement of the Premises to hold the same unto the Tenant for the Term, at the Rent for the operation of a business for the recovery and/or recycling and/or reprocessing of food waste.

The Lease

Date

12 October 2012

Parties

- (a) The Landlord; and
- (b) The Tenant

Subject matter of the Lease

Pursuant to the Lease, the Landlord demises unto the Tenant from the Date of commencement of the Premises to hold the same unto the Tenant for the Term, at the Rent for the operation of a business for the recovery and/or recycling and/or reprocessing of food waste subject to the following terms:

(a) Commencement of operation of business

The Tenant shall commence operation of the business at the Premises to the satisfaction of the Landlord and/or the Director of Environmental Protection within 15 calendar months from the date of commencement of the term of the Lease.

(b) Terms

Terms of the Lease is twenty (20) years.

(c) Date of commencement of the Lease

From 1 January 2013 or the date of delivery of possession of the Premises by the Landlord to the Tenant, whichever is the earlier.

(d) Rent

(i) For the first five years of the Term

HK\$2,160,000.00 per annum (i.e. HK\$180,000.00 per calendar month) payable quarterly in advance by four equal instalments on the 1st day of January, April, July and October of each year clear of all deductions and set-offs. Upon the execution of the Lease, the Tenant shall pay the first six months' rent plus that portion of rent for the period up to the next quarter day due under the Lease. For the avoidance of doubt, rent shall be payable from the date of commencement of the term herein.

(ii) For the next fifteen year' period thereafter

Such revised rent as determined in accordance with Clause 17 of the Lease payable quarterly in advance by four equal instalments on the 1st day of January, April, July and October of each year clear of all deductions and set-offs.

(e) Security deposit

The Tenant shall on the execution of the Lease deposit with the Landlord the sum of Hong Kong Dollars One Million and Eighty Thousand only (HK\$1,080,000.00) by way of deposit as security for the due payment of the rent and the rates, Government rent, taxes, assessments, duties and outgoings as aforesaid and the due performance and observance by the Tenant of the agreements, conditions, terms and stipulations of the Lease.

(f) Guarantee

The Tenant shall obtain and deposit with the Landlord a guarantee issued by a Hong Kong licensed insurance company or a bank duly licensed under Section 16 of the Banking Ordinance (Cap.155) in favour of the Landlord in the sum of Hong Kong Dollars Five Million to secure and guarantee the due performance of the terms and conditions of this Lease.

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

“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
“Clause 17 of the Lease”	The rent shall be reviewed for the next five years of the Term (“the Review Period”) in the following manner:-

- (a) The Landlord shall in its discretion determine, and notify the Tenant in writing within the first fourteen days of the fourth last calendar month of the 5th, 10th or 15th year of the term (as the case may be), the new rent for the relevant Review Period (hereinafter referred to as “the New Rent”) with reference to the latest Consumer Price Index (B) (hereinafter referred to as “CPI(B)”) available at the material time in accordance with the following formula:

$$\text{New Rent} = \text{First Rent} \times \frac{\text{Latest CPI(B) available at the time of rental review}}{\text{CPI(B) of the month of commencement of the term of lease}}$$

where the first rent is the rent offer in the Tender (Price Schedule).

- (b) The Tenant shall, within ten days from the date of the Landlord's written notice served on him pursuant to Clause 17(a) above, serve a written notice on the Landlord stating clearly whether the New Rent as specified in the Landlord's said notice is acceptable to the Tenant.
- (c) In the event of the Tenant stating in his said notice to the Landlord that the New Rent as specified in the Landlord's said written notice is acceptable to him, or in the event of the Tenant failing to serve a written notice on the Landlord within the ten days' period as aforesaid, or in the event of the Tenant failing to state clearly in his said notice to the Landlord whether the New Rent as specified in the Landlord's said written notice is acceptable to him or not, the lease created hereby shall continue to run after the expiration of the 5th, 10th or 15th year of the term (as the case may be), and the New Rent as specified in the Landlord's said written notice shall take effect for the relevant Review Period and shall be deemed to be substituted for the rent previously in force under the Lease.
- (d) In the event of the Tenant stating in his said notice to the Landlord that the New Rent as specified in the Landlord's said notice is unacceptable to him, upon the expiration of the 5th, 10th or 15th year of the term (as the case may be), but without prejudice to any right of action of the Landlord in respect of any antecedent breach, non-performance or non-observance of the terms and conditions to be observed and performed by and on the part of the Tenant herein contained, the lease created hereby shall cease and the Lease shall determine and the Tenant shall quit and deliver up possession of the Premises to the Landlord in accordance with the terms and conditions of the Lease.
- (e) In the event of the rent hereby reserved is increased under Clause 17(a) hereof for the relevant Review Period, the deposit deposited with the Landlord in accordance with the provisions of the Lease for the relevant Review Period shall also be increased to such amount as equivalent to six (6) calendar months' of the New Rent or HK\$50,000.00, whichever is the higher. The Tenant shall pay to the Landlord on or before the commencement of the relevant Review Period to which the New Rent applies a sum equivalent to the difference between the deposit previously deposited with the Landlord under this Lease and the deposit as so increased whereupon the deposit as so increased shall be deemed to be substituted for the said deposit previously deposited with the Landlord under the Lease. If the New Rent is lower than the rent payable immediately prior to the commencement of the relevant Review Period, there shall be no adjustment in the deposit previously deposited with the Landlord under the Lease.

“Landlord”

The Chief Executive on behalf of the Government of Hong Kong
Special Administrative Region

“Lease”	Lease of the Premises
“PRC”	The People’s Republic of China
“Premises”	All that piece of ground situate at Area 38 Tuen Mun, New Territories, Hong Kong comprising an area of 8,500 square metres or thereabouts, which said Area 38 Tuen Mun was allocated to the Director of Environmental Protection under Government Land Allocation [(No.TM4250)] to be used for the purpose of a resource recovery park.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant”	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
“Term”	Twenty (20) years commencing from the Date of commencement of the Lease or the date of delivery of possession of the Premises by the Landlord to the Tenant, whichever is the earlier

By Order of the Board
Lee Tat Hing
Chairman

Hong Kong, 12 October 2012

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.