
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in World Houseware (Holdings) Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

VERY SUBSTANTIAL DISPOSAL
AND
VERY SUBSTANTIAL ACQUISITION
IN RELATION TO LAND RESUMPTION

Financial adviser to the Company



Capitalised terms used in this cover page have the same meanings as those defined in this circular.

A notice convening the EGM of World Houseware (Holdings) Limited to be held with a combination of an in-room meeting at Flat C, 18th Floor, Bold Win Industrial Building, 16-18 Wah Sing Street, Kwai Chung, New Territories, Hong Kong and an online meeting at 2:30 p.m. on 7 April 2022 is set out on pages EGM-1 to EGM-5 of this circular. A proxy form for use in connection with the EGM is enclosed with this circular. As set out in the section headed "Special Arrangements for the EGM" of this circular, the EGM will also be conducted via electronic means. The Shareholders and/or their proxies will NOT be able to attend the EGM in person, and can only view and listen to a live webcast of the EGM via electronic means. The Company strongly encourages the Shareholders to exercise their rights to attend at the EGM via electronic facilities. As required by the relevant regulations in respect of COVID-19, the Shareholders will not be permitted to attend the EGM in person, all Shareholders (other than those who are required to attend the EGM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote at the EGM shall appoint the Chairman of the EGM as their proxy (for Shareholders who are required to attend the EGM physically to form a quorate meeting, a senior management member and/or a senior staff member of the Company shall be appointed as their proxy) by completing and signing the accompanying proxy form in accordance with the instructions printed thereon and returning it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.

17 March 2022

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SPECIAL ARRANGEMENTS FOR THE EGM

NO PHYSICAL ATTENDANCE AT THE EGM

In light of the new regulations of Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) announced by the Government of the Hong Kong Special Administrative Region with effect from 10 February 2022, including the prohibition of the holding of physical general meetings of companies, to combat the spread of COVID-19, as well as the uncertainty of the development of COVID-19 and the corresponding restriction measures, the Board hereby announces that the EGM will be conducted with a combination of an in-room meeting and an online meeting via electronic means (the “EGM”). The Shareholders and/or their proxies (other than those who are required to attend physically to form a quorum meeting) will NOT be able to attend the EGM in person, and can only view and listen to a live webcast of the EGM via electronic means. Shareholders who attend the EGM online will not be counted to the quorum of the EGM.

The EGM will be broadcasted from the EGM venue in Hong Kong (the “EGM Venue”) and only the minimum number of persons will be physically present at the EGM Venue as is legally required to form a quorate meeting by the Directors or other senior staff members of the Company who are Shareholders or proxy. Other Directors will participate by way of electronic means.

Shareholders will be able to view and listen to the EGM through a live webcast from 2:30 p.m. on 7 April 2022 on a computer, tablet or any browser enabled device. Please follow the instructions on the landing page on how to access the webcast. Shareholders will need to complete the following steps to be able to access the live webcast of the EGM of the Company:

Accessing Proceedings of the EGM By Tencent Meeting

For Shareholders who would like to view and listen to the EGM live webcast, you will need to register by sending an email to is-enquiries@hk.tricorglobal.com or via telephone hotline at (852) 2980 1333 by providing personal particulars as follows:

- a) Full name;
- b) Registered Address;
- c) Number of Shares held;
- d) Contact Telephone Number; and
- e) Email Address,

no later than 2:30 p.m. on 1 April 2022 (being not less than 3 business days before the date appointed for holding the EGM) to enable the Company to verify the Shareholders’ status.

SPECIAL ARRANGEMENTS FOR THE EGM

Authenticated Shareholders will receive an email confirmation by 6 April 2022 which contains a link to join the live webcast of the EGM. Shareholders **MUST NOT** forward the link to other persons who are not the Shareholders and who are not entitled to attend the EGM.

Vote by appointing the chairman of the EGM as your proxy

All resolutions at the EGM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the EGM by proxy. If you wish to vote on any resolution at the EGM, you must appoint the chairman of the EGM as your only proxy to exercise your right to vote at the EGM in accordance with your instructions, otherwise you will not be able to exercise your vote. No gifts will be distributed and no refreshments will be served at the EGM.

The proxy form has been posted to Shareholders together with this circular. The proxy form can be downloaded from the “Investor Relations” section of the Company’s website (www.worldhse.com) or the website of the Stock Exchange (www.hkexnews.hk). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy.

The proxy form should be returned to the Company’s branch share registrar, Tricor Secretaries Limited, which is situated at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time for holding the EGM.

Questions from Shareholders

Shareholders may submit any questions they may have in advance in relation to any resolution set out in the Notice of EGM by 2:30 p.m. on 1 April 2022 (being not less than 3 Business Days before the date appointed for holding the EGM) via email to is-enquiries@hk.tricorglobal.com providing personal particulars as follows for verification purposes:

- a) Full name;
- b) Registered Address;
- c) Number of Shares held;
- d) Contact Telephone Number; and
- e) Email Address.

Shareholders can also submit questions during the EGM through the webcast link provided. The Board will arrange for as many of the questions asked to be answered as possible at the EGM.

SPECIAL ARRANGEMENTS FOR THE EGM

Changes to arrangements

We are closely monitoring the impact of COVID-19 in Hong Kong. Should any changes be made to the EGM arrangements, we will notify Shareholders via an announcement posted on the Company's website (www.worldhse.com) and the website of the Stock Exchange (www.hkexnews.hk).

If Shareholders have any questions relating to the EGM, please contact Tricor Secretaries Limited, the Company's branch share registrar as follows:

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

DEFINITIONS

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

“AAL”	Asset Appraisal Limited, an independent valuer
“Agreement”	(Party A) “Pinghu Street Office”, (Party B) “Land Development Affair Centre”, (Party C) “Planning and Natural Resources Bureau”, (Party D1) “World Producing Co.” and (Party D2) “Nam Sok Co.” entered into 平湖街道山廈社區山廈地塊(世界家庭用具製品廠有限公司)已出讓產業用地土地整備利益統籌項目協議 an agreement of Pinghu Street Shanxia Community Shanxia parcel (World Houseware Producing Company Limited) overall benefit in the land development of land sold project* dated 5 November 2021
“Announcement”	the announcement of the Company dated 5 November 2021 in relation to the Agreement and the transactions contemplated thereunder
“Arrangement”	Pursuant to the Agreement, “World Producing Co.” and “Nam Sok Co.” are responsible for the provision of the “Existing Land” and demolition of the buildings, structures, greening and relevant fixtures erected on the land. The “Office, Centre, Bureau”, namely Party A, Party B and Party C respectively, will compensate the “Replacement Land” and “Monetary Compensation” to “World Producing Co.” and/or “Nam Sok Co.” (as the case may be)
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or a statutory holiday in Hong Kong) on which banks are open generally to conduct commercial business in Hong Kong
“Company”	World Houseware (Holdings) Limited, a company incorporated in the Cayman Islands and whose shares are listed in the Stock Exchange
“Directors”	the directors of the Company from time to time

DEFINITIONS

“Development Research Center”	深圳市自然資源和不動產評估發展研究中心 (transliterated as Development Research Center for Natural Resource and Real Estate Assessment, Shenzhen*)
“EGM”	the extraordinary general meeting of the Company to be held with a combination of an in-room meeting at Flat C, 18th Floor, Bold Win Industrial Building, 16-18 Wah Sing Street, Kwai Chung, New Territories, Hong Kong and an online meeting at 2:30 p.m. on 7 April 2022 for the Shareholders to consider and approve, among others, the Agreement and the transactions contemplated thereunder
“Existing Land”	Land parcel no. G05701-4, located at the intersection of Pingda Road and Xinxia Road, Shanxia Community, Pinghu Street, Longgang District, Shenzhen City, the PRC covers an area of approximately 206,286 sq.m. According to the valuation report prepared by Development Research Center at 5 March 2021, under the requirements of the planning of utilisation, properties rights restrictions and the level of land development, the estimated valuation was approximately RMB2,331 million (equivalent to approximately HK\$2,797 million)
“Existing Land Valuation Report”	the valuation report of the Existing Land with a valuation date of 31 December 2021 prepared by AAL
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Compensation Price Difference”	has the meaning as defined in the paragraph headed “Arrangement” under the section headed “LETTER FROM THE BOARD” of this circular
“Land Development Affair Centre”	深圳市龍崗區土地整備事務中心 (transliterated as The Shenzhen City Longgang District Land Development Affair Centre*)
“Land Development Method”	深圳市已出讓產業用地土地整備利益統籌辦法(徵求意見稿)(transliterated as Method of overall benefit in the land development of land sold in Shenzhen City (Consultation Document)*)

DEFINITIONS

“Land Resumption”	the proposed resumption of the Existing Land by the Shenzhen Municipal Government pursuant to the terms and conditions of the Agreement
“Latest Practicable Date”	10 March 2022 being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Listing Rules
“Monetary Compensation”	has the meaning as defined in the paragraph headed “Arrangement” under the section headed “LETTER FROM THE BOARD” of this circular
“Octal Capital Limited”	Octal Capital Limited, a licensed corporation permitted under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the financial adviser of the Company in respect of the Arrangement
“Office, Centre, Bureau”	“Pinghu Street Office”, “Land Development Affair Centre” and “Planning and Natural Resources Bureau”
“Party D1” or “World Producing Co.”	World Houseware Producing Company Limited, a company incorporated in Hong Kong with limited liability, which is a wholly owned subsidiary of the Company and is principally engaged in manufacturing and trading of household products and property investment

DEFINITIONS

“Party D2” or “Nam Sok Co.”	南塑建材塑膠製品(深圳)有限公司 (transliterated as Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited*), a limited liability company established under the laws of the PRC, which is a wholly owned subsidiary of the Company and is principally engaged in manufacturing and sale of PVC, P.E., P.P. pipes and fittings products
“Pinghu Street Office”	深圳市龍崗區平湖街道辦事處 (transliterated as The Shenzhen City Longgang District Pinghu Street Office*)
“Planning and Natural Resources Bureau”	深圳市規劃和自然資源局龍崗管理局 (transliterated as The Longgang Administration Bureau of Shenzhen City Planning and Natural Resources Bureau*)
“PRC”	The People’s Republic of China
“Relocation Compensation”	has the meaning as defined in the paragraph headed “Arrangement” under the section headed “LETTER FROM THE BOARD” of this circular
“Replacement Land”	a site area of 31,039 sq.m. of residential land, Parcel no. 09-20, 09-18 located in 中國深圳市平湖街道輔城坳新木地區 (transliterated as Fucheng’ao, Xinmu District Pinghu Street, Longgang District, Shenzhen City, the PRC*). The nature of the planned land use is primarily residential use with ancillary commercial and community uses. According to the valuation report of Development Research Center at 5 March 2021, the estimated valuation was approximately RMB1,829 million (equivalent to approximately HK\$2,195 million) subject to the final approval documents granted by the PRC government’s relevant functional departments
“Replacement Land Valuation Report”	the valuation report of the Replacement Land with a valuation date of 31 December 2021 prepared by AAL

DEFINITIONS

“Relevant Shareholders”	Goldhill Profits Limited, which is wholly-owned by a discretionary trust of which Mr. Lee Tat Hing (the Chairman of the Company), Mr. Lee Chun Sing (the Vice Chairman of the Company and the son of Mr. Lee Tat Hing), Mr. Lee Kwok Sing Stanley (the executive director of the Company and the son of Mr. Lee Tat Hing) and Madam Fung Mei Po (the Vice Chairperson and Chief Executive Officer of the Company and the wife of Mr. Lee Tat Hing) 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 is beneficially entitled to 14,256,072 shares in the issued share capital of the Company and Madam Fung Mei Po is beneficially entitled to 58,121,087 shares in the issued share capital of the Company and Mr. Lee Chun Sing is beneficially entitled to 34,315,830 shares in the issued share capital of the Company. All the above-named beneficial shareholders collectively are beneficially entitled to 416,301,170 shares representing approximately 53.64% of the issued share capital of the Company
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholders of the Company
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Underground Compensation”	has the meaning as defined in the paragraph headed “Arrangement” under the section headed “LETTER FROM THE BOARD” of this circular

For the purpose of this circular, unless otherwise specified, conversions of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 to HK\$1.2. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

All English translations of Chinese names in this circular marked with “” are not official English names and are for identification purpose only.*

LETTER FROM THE BOARD



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

Executive Directors:

Mr. Lee Tat Hing (*Chairman*)
Madam Fung Mei Po (*Vice Chairperson and
Chief Executive Officer*)
Mr. Lee Chun Sing (*Vice Chairman*)
Mr. Lee Kwok Sing Stanley

Non-executive Director:

Mr. Cheung Tze Man Edward

Independent Non-executive Directors:

Mr. Tsui Chi Him Steve
Mr. Hui Chi Kuen Thomas
Mr. Ho Tak Kay

Registered office:

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Flat C, 18th Floor
Bold Win Industrial Building
16-18 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

17 March 2022

To the Shareholders

Dear Sir/Madam,

**VERY SUBSTANTIAL DISPOSAL
AND
VERY SUBSTANTIAL ACQUISITION
IN RELATION TO LAND RESUMPTION**

1. INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further information relating to, amongst other things, details of the Agreement and the transactions contemplated thereunder, notice of the EGM and such other information as required under the Listing Rules.

2. THE AGREEMENT

The principal terms of the Agreement are as follows:

Date: 5 November 2021

Parties

- (Party A) “Pinghu Street Office”, the local governmental authorities responsible for the implementation of the Land Resumption
- (Party B) “Land Development Affair Centre”, the local governmental authorities responsible for the implementation of the Land Resumption
- (Party C) “Planning and Natural Resources Bureau”, the local governmental authorities responsible for the implementation of the Land Resumption
- (Party D1) “World Producing Co.”, a wholly owned subsidiary of the Company
- (Party D2) “Nam Sok Co.”, a wholly owned subsidiary of the Company

The Company has not entered into any transaction of a similar nature with “Pinghu Street Office”, “Land Development Affair Centre” and “Planning and Natural Resources Bureau” in the past 12 months that would need to be aggregated in accordance with Rule 14.22 of the Listing Rules.

Arrangement

Pursuant to the Agreement, World Producing Co. and Nam Sok Co. are responsible for the provision of the Existing Land and demolition of the buildings, structures, greening and relevant fixtures erected on the Existing Land. The Office, Centre, Bureau will compensate the Replacement Land and Monetary Compensation to World Producing Co. and/or Nam Sok Co. (as the case may be). It is proposed that World Producing Co. will receive the Replacement Land and the Land Compensation Price Difference, while Nam Sok Co. will receive the Relocation Compensation and the Underground Compensation.

LETTER FROM THE BOARD

The compensation receivable from the Shenzhen Municipal Government pursuant to the Agreement was determined after negotiation at arm's length negotiation between the Office, Centre, Bureau and the Group, after taking into account of the relevant existing preferential policy condition of the Land Development Method which would be applied as a pilot case to the Shenzhen Municipal Government for its approval and will be implemented after obtaining the relevant consent.

According to the Agreement, the Group, being the owner of the Existing Land, will be compensated with a sum determined with reference to the valuation of the Existing Land (the “**Existing Land Valuation**”) to be resumed prepared by a recognised land asset appraisal agency with relevant qualifications. The relevant compensation will be in the form of the Replacement Land to be transferred to the Group. Pursuant to the Agreement, the site area of the land to be compensated to the owner of the Existing Land shall not be larger than 40% of the site area of the Existing Land, while the value of the land to be compensated will be limited to 1.1 times of the Existing Land Valuation. If the value of the Replacement Land is less than the Existing Land Valuation, the difference between the Existing Land Valuation and the value of the Replacement Land will be compensated by the Shenzhen Municipal Government by way of cash (the “**Land Compensation Price Difference**”).

Accordingly, the Office, Centre, Bureau appointed Development Research Center to prepare a valuation of the Existing Land and the Replacement Land. The valuation of the Existing Land and the Replacement Land on 5 March 2021 assessed by Development Research Center were approximately RMB2,331 million (equivalent to approximately HK\$2,797 million) and RMB1,829 million (equivalent to approximately HK\$2,195 million) respectively. Based on the above valuations provided by the Office, Centre, Bureau, the Land Compensation Price Difference was assumed to be approximately RMB502 million (equivalent to approximately HK\$602 million). According to the Agreement, the Land Compensation Price Difference is subject to the final valuation of the Replacement Land to be prepared by Development Research Center and approved by the Shenzhen Municipal Government.

LETTER FROM THE BOARD

Apart from the above compensation, in view that the Group is required to relocate its factories and office buildings on the Existing Land as a result of the Land Resumption (the “**Relocation**”), the Office, Centre, Bureau agreed to compensate the Group an amount of approximately RMB385 million (equivalent to approximately HK\$462 million) (the “**Relocation Compensation**”), being an aggregate amount of approximately RMB321 million (equivalent to approximately HK\$385 million) for the operating and capital expenditure to be incurred resulting from the Relocation and approximately RMB64 million (equivalent to approximately HK\$77 million) for a series of losses due to the Relocation. On top of the Relocation Compensation, the Office, Centre, Bureau also agreed to compensate the Group (the “**Underground Compensation**”) for the cost of restoration of the underground construction at the Existing Land to be reviewed by 龍崗造價管理站 (transliterated as Longgang Cost Management Station*).

“Existing Land”

The Existing Land, namely land parcel no. G05701-4, located at the intersection of Pingda Road and Xinxia Road, Shanxia Community, Pinghu Street, Longgang District, Shenzhen City, the PRC and has a site area of approximately 206,286 sq.m.

The Existing Land has been used by the Group as production factory and office buildings for its manufacturing and sale of PVC, P.E., P.P. pipes and fittings products. According to the Arrangement, the Existing Land will be resumed by the Shenzhen Municipal Government and the existing manufacturing facilities of the Group located on the Existing Land are planned to relocate to another location for continuing their operation. On 14 December 2021, the Group as a lessee entered into a lease agreement with Ruifeng Woodwork (Dongguan) Company Limited as lessor in respect of the lease of land and buildings located at No. 80 Puxing East Road, Dali Village, Qingxi Town, Dongguan City, the PRC* (東莞市清溪鎮大利村埔星東路 80 號), consisting of factories, living quarters and office (the “**Rented Factories**”) with gross floor area of approximately 50,000 sq.m. in aggregate. The lease agreement commenced from 1 January 2022 to 31 December 2026 (both dates inclusive) for use as temporary workshop for production of the Group. For details of the leasing agreement, please refer to the Company’s announcements dated 14 January 2022, 18 January 2022 and 20 January 2022.

According to the Agreement, the schedule of the Land Resumption is illustrated as below:

- (a) hand over part of the Existing Land of approximately 60,000 sq.m. and demolish the relevant buildings, structures, greening and relevant fixtures erected on the land by 31 December 2021;

LETTER FROM THE BOARD

- (b) hand over the remaining part of the Existing Land and demolish all the relevant buildings, structures, greening and relevant fixtures erected on the Existing Land, which is around January 2022 (subject to the status of implementation of the Land Resumption);
- (c) complete the deregistration of the certificate of title of the Existing Land, which is around February 2022 (subject to the status of implementation of the Land Resumption).

As at the Latest Practicable Date, the above event (a) has been completed. The time limits mentioned in above events (b) and (c) are reference dates only, which are subject to the status of implementation of the Land Resumption. For details of the estimated timetable for the implementation of the Land Resumption, please refer to the paragraph headed “4. Estimated Timetable for the Implementation of the Land Resumption and the Development of the Replacement Land” of the Letter from the Board of this circular.

Compensation and Payment Terms

“Replacement Land”

The Replacement Land is under the land redevelopment plan carried out by the Shenzhen Municipal Government located at land parcel no. 09-20, 09-18 of 中國深圳市平湖街道輔城坳新木地區 (transliterated as Fucheng’ao, Xinmu District Pinghu Street, Longgang District, Shenzhen City, the PRC*) covering an area of 31,039 sq.m. and the Shenzhen Municipal Government has been in the process of resuming the Replacement Land before it could enter into the land right transfer agreement with the Group. Pursuant to the Agreement, the compensation for the Land Resumption in respect of the Existing Land would be in the form of a land compensation with a site area of not larger than 40% of the original site area of the Existing Land and the value of the land to be compensated will be limited to 1.1 times of the Existing Land Valuation, while the Land Compensation Price Difference would be compensated by way of cash such that the total compensation (other than the Relocation Compensation and the Underground Compensation) for the resumption of the Existing Land would be approximately RMB2,331 million (equivalent to approximately HK\$2,797 million). The compensation for the Land Resumption is in accordance with the Land Development Method, the principle of which is to compensate the owner of the land to be resumed with another piece of land (the “**Compensated Land**”) with the same value (where any value of the land compensated falling short (if any) will be compensated by cash by the Shenzhen Municipal Government (the “**Price Difference Adjustment Mechanism**”). Therefore, in the event that the Replacement Land could not be delivered to the Group as the Compensated Land, another piece of the land with the same value of the Existing Land will be compensated to the Group, subject to the same Price Difference Adjustment Mechanism. Should there be any material change to the location, size and/or value of the Compensated Land, the acquisition of such Compensated Land will be treated as a new transaction of the Group, and the Group would have to comply with the relevant requirements under the Listing Rules (including Shareholders’ approval).

LETTER FROM THE BOARD

The nature of the planned land use is primarily residential use with ancillary commercial and community uses. According to the valuation report of the Replacement Land prepared by Development Research Center, the valuation of the Replacement Land as at 5 March 2021 was approximately RMB1,829 million (equivalent to approximately HK\$2,195 million), subject to the final approval documents granted by the PRC government's relevant functional departments. Pursuant to the Agreement, the Land Resumption project has been approved by the Shenzhen Municipal Government, while the Office, Centre, Bureau are the relevant government departments to carry out and implement the Land Resumption. The Office, Centre, Bureau, being the relevant functional departments of the PRC government, are involved in granting the final approval documents. The grant of the final approval documents is not subject to any condition or performance of the Company or any party of the Agreement.

According to the Agreement, the Office, Centre, Bureau shall complete the application for the grant of the Replacement Land and the signing works for land right transfer agreement, within 12 months after signing of the Agreement for them to complete the governmental approval and the relevant administrative procedures which are necessary for the transfer of the land title.

Upon the Replacement Land is received, the Company intends to commence the construction of the residential and commercial buildings on the Replacement Land within 24 months.

Based on the Replacement Land Valuation Report, the valuation of the Replacement Land as at 31 December 2021 was approximately RMB1,656 million (equivalent to approximately HK\$1,987 million).

“Monetary Compensation”

Pursuant to the Agreement, the cash compensation (the **“Monetary Compensation”**) comprising the Land Compensation Price Difference, the Relocation Compensation and the Underground Compensation, shall be payable in cash by the Shenzhen Municipal Government in the following manner and timeline (assuming the Replacement Land is valued at approximately RMB1,656 million (equivalent to approximately HK\$1,987 million) as at 31 December 2021 as set out in the Replacement Land Valuation Report):

- (a) approximately RMB385 million (equivalent to approximately HK\$462 million) for the Relocation Compensation shall be paid within 15 working days after signing the Agreement, the amount is subject to final review of the compensation;
- (b) approximately RMB300 million (equivalent to approximately HK\$360 million) as the advance payment of the Land Compensation Price Difference shall be paid on or before 15 December 2021;

LETTER FROM THE BOARD

- (c) approximately RMB375 million (equivalent to approximately HK\$450 million) as the balance payment of the Land Compensation Price Difference according to the financial approval process shall be paid within 15 working days after the approval date of the implementation plan. The approval time is based on the date of issuance of the meeting minutes of municipal government and subject to the final valuation of the Replacement Land to be approved by the Shenzhen Municipal Government, whereas while the Group has no information of the certain approval date; and
- (d) the Underground Compensation shall be paid on or before 20 February 2022, while the amount is dependent on the review by 龍崗造價管理站 (transliterated as Longgang cost management station*).

Up to the Latest Practicable Date, the above item (a) in respect of Relocation Compensation of approximately RMB385 million (equivalent to approximately HK\$462 million) was received in November 2021 and the above item (b) in respect of advance payment of the Land Compensation Price Difference of approximately RMB300 million (equivalent to approximately HK\$360 million) was received on 15 December 2021. As at the Latest Practicable Date, as the Relocation was still in progress and additional time is required for the Office, Centre, Bureau to assess the Underground Compensation upon completion of the Relocation, the Group has yet to receive the Underground Compensation.

As mentioned in the paragraph headed “Arrangement”, the Land Compensation Price Difference will be determined based on the final valuation of the Replacement Land, which is subject to the approval by the Shenzhen Municipal Government. As at the Latest Practicable Date, the Company currently has no information about the timeline.

Conditions Precedent

The arrangement is conditional upon the Agreement and the transactions contemplated thereunder being proposed, approved and confirmed at the EGM.

Governing Law

The Agreement shall be governed by the laws of the PRC. All disputes arising from the execution of, or in connection with the Arrangement shall be settled through good faith negotiations between the parties thereto.

LETTER FROM THE BOARD

3. ESTIMATED TIMETABLE FOR THE IMPLEMENTATION OF THE LAND RESUMPTION AND THE DEVELOPMENT OF THE REPLACEMENT LAND

According to the latest status of the implementation of the Land Resumption and the preliminary planning by the Board as at the Latest Practicable Date, the timetable for the implementations of the Land Resumption (including events that have been implemented and events to be implemented) and the development of the Replacement Land (subject to further assessment and dependent on market sentiment) is illustrated as below:

5 November 2021	Entered into the Agreement (Completed)
14 December 2021	Entered into the leasing agreement with a landlord to rent the Rented Factories for continuing the manufacturing activities (Completed)
31 December 2021	Handed over part of the Existing Land of approximately 60,000 sq.m. and demolished the relevant buildings, structures, greening and relevant fixtures erected on the Existing Land (Completed)
From January 2022 to around March 2022	Commence the Relocation with all efforts to the Rented Factories, aiming to complete the Land Resumption by 31 March 2022
Around 31 March 2022	Hand over the remaining part of the Existing Land of approximately sq.m. 146,286 and demolish remaining of the relevant buildings, structures, greening and relevant fixtures erected on the Existing Land
Around 30 April 2022 (subject to the status of the implementation of the Land Resumption)	The deregistration of the certificate of title of the Existing Land will be completed after the above handover procedures and demolition
on 15 November 2022 or before	Complete the application for the grant of the Replacement Land and the signing works for relevant land right transfer agreement
by around April 2023	Commence design and planning of the development of the Replacement Land
by around October 2023	Commence application of certain permits, including construction land planning permit, construction work planning permit and construction work commencement permit for the development of the Replacement Land

LETTER FROM THE BOARD

by around November 2024	Commence construction work on the Replacement Land
by early 2026	Expected to have identified and acquired new industrial land and commencement of constructing new factories for manufacturing and production (the “ New Factories ”) to be owned by the Group
by around December 2026	Expected commencement of delivery of the property development project on the Replacement Land
by around December 2026 (subject to the status of the implementation of the Land Resumption)	Relocate the manufacturing facilities to the New Factories

As at the Latest Practicable Date, the Group has handed over part of the Existing Land of approximately 60,000 sq.m. and demolished the relevant buildings, structures, greening and relevant fixtures erected on the Existing Land. Since January 2022, the Group has been in the process of gradually moving the manufacturing facilities from the Existing Land to the Rented Factories according to the timetable as mentioned above as time is required for the Group to set up and install the facilities in the Rented Factories before the Relocation could commence. The current expected timetable of the Relocation has been communicated with the Office, Centre, Bureau without objection on the current schedule of the Land Resumption. Further, in order to cater for the expected interruption of operation during the process of the Relocation, the Group increased its production in late 2021 to increase inventory and shifted some of the production orders to the Group’s factories located in Changshu for manufacturing and production. Considering the above and the first half year is not a peak season in the pipe and fittings products industry, the Group considered that the Relocation will not have material impact on the operation of the Group. The Company has no intention to terminate, downsize and dispose of the existing business.

According to the notice issued by the Planning and Natural Resources Bureau, the plot ratio of the Replacement Land ranges from 4.0 to 4.1 and the gross floor area for residential properties and commercial properties are approximately 112,000 sq.m. and 5,900 sq.m. respectively. It is currently expected that the Group will develop the Replacement Land by way of joint development with independent third part(ies). As at the Latest Practicable Date, detailed development plan has not been determined yet.

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It is the current intention of the Group to apply part of the expected investment return from the property development project on the Replacement Land to fund the cost of acquisition of the land for the New Factories, the construction cost for the New Factories as well as procurement of modern manufacturing facilities, if it is in line with the Group's investment strategy. In the event that the construction work of the Replacement Land falls behind the above schedule, the Group may extend the leasing period of the Rented Factories and delay the land acquisition of the New Factories accordingly.

Shareholders should note that the above timetable is subject to change, mainly taking into account the status of the implementation of the Land Resumption, condition of the property market in the PRC and the Group's further assessment on the development plan of the Replacement Land. The Group will continue to review the market condition from time to time and formulate the development plan according to its cashflow, with an aim of maintaining a healthy business growth and financial position of the Group.

4. REASONS FOR THE ARRANGEMENT

The Group is principally engaged in the manufacturing and sale of PVC, P.E., P.P. pipes and fittings products (major business in the PRC), manufacturing and trading of PVC, P.E., P.P., E.V.A. and cotton household products (major business in overseas countries), and property investment (in Hong Kong and the PRC).

According to the Land Development Method, it is the Shenzhen Municipal Government's intention to implement the Land Resumption to push forward the urban renewal projects in Shenzhen. The Shenzhen Municipal Government will compensate the owner of a land to be resumed with a replacement land and/or certain amount of cash, the aggregate value of which will be determined with reference to a valuation of the land to be resumed, the replacement value of the relevant buildings, and relevant costs and losses in relation to the Land Resumption. The Directors believe that the Arrangement, being in line with the government policy, is a valuable opportunity and an efficient way to realise the value of the Existing Land by way of the receipt of the Replacement Land and the Monetary Compensation.

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Upon the Replacement Land is received, which is around 12 months from the date of Agreement, the Company intends to develop the Replacement Land by way of joint development with independent third part(ies) thereby generating an additional investment return to the Group. On the course of the property development project on the Replacement Land, the Company would identify a suitable industrial land, construct modernised production factories and trading operation office, and acquire advanced and modernised manufacturing facilities and machinery equipment for the New Factories, etc.. The Monetary Compensation allows the Group to sufficiently cover the expenses for the Relocation, modernise its manufacturing facilities and repay its bank and other borrowings. Therefore, it is expected that the Arrangement would overall enhance the Group's investment return and reduce its debt level thereby improving its gearing ratio, reducing its interest expenses and strengthening its cashflows.

Further, the Group has already entered into the lease agreement for the Rented Factories with a term of five years which could facilitate the Relocation and the handover of the Existing Land, and allow the Group to continue its existing operation of the manufacturing business without any material impact on its operation. At the same time, the Group could further expand its property development business by pursuing in the development of the Replacement Land.

As mentioned in the paragraph headed "Arrangement" of the Letter from the Board, the compensation comprising the Replacement Land and the Monetary Compensation was determined with reference to the valuation of the Existing Land in respect of the remaining years of use of its land use right and the relevant expenditure and losses to be incurred in relation to the Relocation.

The Existing Land was valued by Development Research Center of approximately RMB2,331 million (equivalent to approximately HK\$2,797 million) on 5 March 2021 assuming that the Existing Land would be developed for residential and commercial purpose. To assess the valuation of the Existing Land, the Company appointed AAL to prepare the Existing Land Valuation Report, details of which are set out in Appendix II to this circular. Pursuant to the Existing Land Valuation Report prepared by AAL, the value of the Existing Land was evaluated according to the present type of industrial land use together with the relevant buildings thereon as at 31 December 2021 and its value was approximately RMB438 million (equivalent to approximately HK\$526 million). By comparison, the compensation for the Existing Land by the Office, Centre, Bureau of approximately RMB2,331 million (equivalent to approximately HK\$2,797 million) represents a premium of approximately 432.2% over the valuation of the Existing Land assessed by AAL as the Development Research Center assumed the Existing Land would be developed for residential and commercial purpose in the Existing Land Valuation, giving rise to the substantial premium to the valuation of the Existing Land.

LETTER FROM THE BOARD

Pursuant to the Agreement, the valuation of the Replacement Land on 5 March 2021 assessed by Development Research Center was approximately RMB1,829 million (equivalent to approximately HK\$2,195 million). Based on the Replacement Land Valuation Report prepared by AAL, the valuation of the Replacement Land as at 31 December 2021, was approximately RMB1,656 million (equivalent to approximately HK\$1,987 million), which is lower than the valuation of the Replacement Land assessed by Development Research Centre. For sake of prudence, in recognizing the value of the consideration receivable in respect of the Replacement Land in the accounts of the Group upon completion of the Land Resumption, the value of the Replacement Land contained in the Replacement Land Valuation Report prepared by AAL, which is the latest available valuation of the Replacement Land, will be used. Therefore, in computing the financial effects of the Arrangement (which is further discussed in the following section headed “5. Financial Effect of the Arrangement”), the valuation prepared by AAL has been adopted. Pursuant to the Agreement, the compensation for the Existing Land shall be a piece of land with the same value of the Existing Land, subject to the Price Difference Adjustment Mechanism. Therefore, if the value of the Replacement Land is assumed to be approximately RMB1,656 million (equivalent to approximately HK\$1,987 million) according to the Replacement Land Valuation Report, the amount of the Land Compensation Price Difference shall be approximately RMB675 million (equivalent to approximately HK\$810 million).

Based on the internal assessment by the Group, the Relocation Compensation can cover the estimated expenses and losses to be incurred in the Relocation, including (i) demolition of relevant buildings on the Existing Land; (ii) transportation cost and installation cost of the Group’s manufacturing facilities; (iii) rental expenses of the Rented Factories for five years; and (iv) estimated losses resulting from interruption of production during the process of the Relocation.

As at the Latest Practicable Date, the Relocation was still in progress and additional time is required for the Office, Centre, Bureau to assess the Underground Compensation upon completion of the Relocation. Although the Underground Compensation is yet to be determined, as the amount of the Underground Compensation will be assessed based on the comparable reference construction costs of similar underground structure in the same area of the Existing Land, the Group is of the view that the basis of the Underground Compensation is reasonable.

Having considered the above, the Board is of the view that the Arrangement and transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

5. FINANCIAL EFFECT OF THE ARRANGEMENT

Earnings

Based on the interim report for the six months ended 30 June 2021 of the Company, the net asset value of the Existing Land and the relevant buildings thereon as at 30 June 2021 were approximately RMB26 million (equivalent to approximately HK\$31 million) and RMB30 million (equivalent to approximately HK\$36 million) respectively. On the assumption that the Arrangement has been completed as at 30 June 2021, and taking into consideration that (i) the Replacement Land valued at approximately RMB1,656 million (equivalent to approximately HK\$1,987 million) (based on the Replacement Land Valuation Report); (ii) the Land Compensation Price Difference is approximately RMB675 million (equivalent to approximately HK\$810 million); (iii) the Relocation Compensation is approximately RMB385 million (equivalent to approximately HK\$462 million); (iv) the estimated cost of the Relocation is approximately RMB116 million (equivalent to approximately HK\$139 million) (assuming the above valuation of the Replacement Land and the compensation amounts are finalised and approved by the government, except for the Underground Compensation which has not been determined yet); and (v) the other estimated costs to be incurred by the Group to consummate the Arrangement is approximately RMB2 million (equivalent to HK\$2.4 million), the Company is expected to record an estimated net gain before deduction of relevant taxes of approximately RMB2,542 million (equivalent to approximately HK\$3,050 million) from the Arrangement. However, the actual amount of net gains from the Arrangement can only be determined after completion of the Arrangement. Further, the actual amount of net gains is subject to audit and may be subject to change.

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Assets and liabilities

On the assumption that the Arrangement has been completed as at 30 June 2021, subject to audit, the total assets of the Group will be reduced by approximately RMB56 million (equivalent to approximately HK\$67 million) as a result of the resumption of the land use right in respect of the Existing Land and the demolition of relevant factories and buildings. Upon receiving the Replacement Land and the Monetary Compensation, the land use right of the Group will be increased by approximately RMB1,656 million (equivalent to approximately HK\$1,987 million), the consolidated cash in bank of the Group after settling the relevant cost of Relocation and other estimated costs to be incurred by the Group to consummate the Arrangement and repayment of bank and other borrowings will be increased by approximately RMB557 million (equivalent to approximately HK\$668 million) (before deduction of relevant taxes) and bank and other borrowings will be reduced by approximately RMB385 million (equivalent to approximately HK\$462 million). In this connection, the net assets of the Group will be increased by approximately RMB2,542 million (equivalent to approximately HK\$3,050 million). Further, the actual amount of above impacts is subject to audit and may be subject to change.

6. USE OF PROCEEDS

The estimated net proceeds before deduction of relevant taxes from the Arrangement will be approximately RMB1,060 million (equivalent to approximately HK\$1,272 million), of which the Land Compensation Price Difference of approximately RMB675 million (equivalent to approximately HK\$810 million) would be received by World Producing Co.. The aggregate amount of the Relocation Compensation and the Underground Compensation (to be determined after review by 龍崗造價管理站(transliterated as Longgang cost management station*)) of approximately RMB385 million (equivalent to approximately HK\$462 million) would be received by Nam Sok Co.. It is intended that (i) approximately RMB116 million (equivalent to approximately HK\$139 million) will be used for the factory rental cost and relocation cost; (ii) approximately RMB385 million (equivalent to approximately HK\$462 million) will be used for repayment of the Group's bank and other borrowings; (iii) approximately RMB83 million (equivalent to approximately HK\$100 million) will be budgeted to be used for the initial preparation cost of the joint development of the Replacement Land with independent third part(ies); (iv) approximately RMB430 million (equivalent to approximately HK\$516 million) will be budgeted to be used for partly funding the cost of acquisition of the land for the New Factories and the cost of construction for the New Factories, whereas the remaining cost will be funded by the investment return from the development of the Replacement Land; (v) approximately RMB15 million (equivalent to approximately HK\$18 million) will be used for acquiring modernised manufacturing facilities for the New Factories; and (vi) approximately RMB31 million (equivalent to HK\$37 million) will be budgeted to be used for replenishment of general working capital, investment in future potential projects or relevant taxation in relation to the Arrangement. As at the Latest Practicable Date, no potential project has been identified.

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Subject to the final valuation of the Replacement Land, the actual amount of the net proceeds may differ from RMB1,060 million (equivalent to approximately HK\$1,272 million). Save for the above items (i), (ii), (iv) and (v), the Company will adjust the allocation of the net proceeds on a pro-rata basis accordingly.

7. INFORMATION OF THE PARTIES

The Group is principally engaged in the manufacturing and sale of PVC, P.E., P.P. pipes and fittings products, manufacturing and trading of PVC, P.E., P.P., E.V.A. and cotton household products, and property investment.

World Producing Co. is principally engaged in manufacturing and trading of household products and property investment.

Nam Sok Co. is principally engaged in the manufacturing and sale of PVC, P.E., P.P. pipes and fittings products.

The Office, Centre, Bureau, are the local governmental authorities responsible for the implementation of the Land Resumption.

To the best of the Board's knowledge, information, and belief, having made all reasonable enquiry, the Office, Centre, Bureau are third parties independent of and not connected with the Company and its connected persons.

8. IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Arrangement (in relation to the Land Resumption) exceeds 75% and those in respect of the Arrangement (in relation to the receipt of the Replacement Land) exceed 100%, the Arrangement constitutes a very substantial disposal and a very substantial acquisition of the Company under Chapter 14 of the Listing Rules. The Relevant Shareholders, holding approximately 53.64% interest in the Company as at the date of this circular, have indicated to the Company that they will vote for the Agreement and the transactions contemplated thereunder at the EGM. To the best of the Board's knowledge, information and belief, having made reasonable enquiries, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder and is required to abstain from voting at the EGM.

9. EGM

A notice convening the EGM of World Houseware (Holdings) Limited to be held with a combination of an in-room meeting at Flat C, 18th Floor, Bold Win Industrial Building, 16-18 Wah Sing Street, Kwai Chung, New Territories, Hong Kong and an online meeting at 2:30 p.m. on 7 April 2022 is set out on pages EGM-1 to EGM-5 of this circular. A proxy form for use in connection with the EGM is enclosed with this circular. As set out in the section headed "Special Arrangements for the EGM" of this circular, the EGM will also be conducted via electronic

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means. The Shareholders and/or their proxies will not be able to attend the EGM in person, and can only view and listen to a live webcast of the EGM via electronic means. **The Company strongly encourages the Shareholders to exercise their rights to attend at the EGM via electronic facilities.** As required by the relevant regulations in respect of COVID-19, the Shareholders will not be permitted to attend the EGM in person, all Shareholders (other than those who are required to attend the EGM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote at the EGM shall appoint the Chairman of the EGM as their proxy (for Shareholders who are required to attend the EGM physically to form a quorate meeting, a senior management member and/or a senior staff member of the Company shall be appointed as their proxy) by completing and signing the accompanying proxy form in accordance with the instructions printed thereon and returning it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.

In order for the Shareholders to qualify for attending and voting at the EGM, all transfer documents, accompanied by the relevant Share certificates, should be lodged for registration with the Hong Kong branch share registrar and transfer office of the Company, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before 4:30 p.m. Thursday, 31 March 2022.

In light of the current COVID-19 situation, your attention is drawn to the section headed "Special Arrangements for the EGM" set out on pages 1 to 3 of this circular for further information.

10. VOTING BY WAY OF POLL

Pursuant to Rules 13.39(4) of the Listing Rules, all votes of shareholders at the EGM will be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made reasonable enquiries, no Shareholder has a material interest in the Agreement and the transactions contemplated thereunder and is required to abstain from voting at the EGM.

11. RECOMMENDATION

The Directors consider that the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM.

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12. GENERAL

Your attention is drawn to the appendices to this circular which contain certain additional information in relation to the Company.

Yours faithfully,
For and on behalf of the Board
World Houseware (Holdings) Limited
Lee Tat Hing
Chairman

1. FINANCIAL SUMMARY

The audited financial information of the Group for the three years 31 December 2018, 2019 and 2020 can be referred to the annual reports of the Company for the years ended 31 December 2018 (pages 30 to 121) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0428/ltn20190428039.pdf>), 2019 (pages 30 to 129) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0513/2020051301133.pdf>), 2020 (pages 31 to 125) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0427/2021042702000.pdf>), respectively and the interim report for the period ended 30 June 2021 (page 3 to 23) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0923/2021092301084.pdf>).

The above-mentioned financial information has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.worldhse.com). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 December 2018, 2019 and 2020.

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 January 2022, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following outstanding borrowings:

The Group had aggregate outstanding borrowings of approximately HK\$375 million comprising (i) secured and guaranteed bank borrowings of approximately HK\$205 million, which were secured by certain leasehold land and buildings, investment properties, right-of-use assets, bank deposits and life insurance of the Group; and (ii) unsecured and unguaranteed amount due to Directors of approximately HK\$170 million.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of business, as at the close of business on 31 January 2022, the Group did not have any debt securities authorised or otherwise created but unissued, or any term loans, other borrowings or indebtedness in the nature of borrowing including bank overdrafts, loans, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase commitments, lease liabilities, mortgages or charges, other material contingent liabilities or guarantees outstanding.

To the best of the knowledge of the Directors, having made all reasonable enquiries, there has been no material change in the level of indebtedness of the Group since 31 January 2022.

3. WORKING CAPITAL

The Directors of the Company are of the opinion that, after taking into account the financial resources available to us including the available credit facilities, our internally generated funds, the cash flow impact of the Agreement and the transactions contemplated thereunder, the Group has sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this circular.

4. FINANCIAL RESULTS

The unaudited consolidated financial results of the Group for the six months ended 30 June 2021 (the “**Period Under Review**”) as follows:

The Group recorded a consolidated turnover of HK\$410,856,000 for the Period Under Review, representing an increase of 30.8% or HK\$96,760,000 as compared to HK\$314,096,000 of the same period last year.

Gross profit of the Group was HK\$89,316,000, representing an increase of 41.8% or HK\$26,331,000 as compared to HK\$62,985,000 of the same period last year. The gross profit margin was 21.7%, representing an increase of 1.6% as compared to 20.1% of the same period last year.

Profit for the period was HK\$25,707,000, as compared to a loss of HK\$89,367,000 for the same period last year.

Basic earnings per share was HK3.35 cents, as compared to basic loss per share of HK11.69 cents for the same period last year.

The Board did not propose any payment of interim dividends for the Period Under Review.

5. LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group finances its operations from internally generated cash flows, terms loans and trade finance facilities provided by banks in Hong Kong and the PRC. At 30 June 2021, the Group had bank balances and cash and pledged bank deposits of approximately HK\$52,489,000 (31.12.2020: HK\$126,111,000) and had interest-bearing bank borrowings of approximately HK\$197,309,000 (31.12.2020: HK\$197,110,000 in HK\$). The Group’s interest-bearing bank borrowings were mainly computed at Hong Kong Inter-Bank Offering Rate plus a margin. The Group’s total banking facilities available as at 30 June 2021 amounted to HK\$545,386,000; of which HK\$197,309,000 of the banking facilities was utilised (utilisation rate was at 36.2%). Besides, the Group had amounts due to directors, which are unsecured and unguaranteed, of approximately HK\$169,701,000 as at 30 June 2021, of which (i) approximately HK\$43.5 million will be repayable within one year; and (ii) approximately HK\$126.2 million will be repayable over one year. Approximately HK\$21.8 million of the amounts due to directors were interest-free, while the remaining amounts due to directors of approximately HK\$147.9 million were interest-bearing, at interest rates ranging from 2.9% to 4.35% per annum.

The Group continued to conduct its business transactions principally in Hong Kong dollars, US dollars and Renminbi. The Group's exposure to the foreign exchange fluctuations has not experienced any material difficulties in the operations or liquidity as a result of fluctuations in currency exchange.

At 30 June 2021, the Group had current assets of approximately HK\$622,708,000 (31.12.2020: HK\$624,983,000). The Group's current ratio was approximately 1.15 as at 30 June 2021 as compared with approximately 1.14 as at 31 December 2020. Total shareholders' funds of the Group as at 30 June 2021 increased by 2.00% to HK\$1,891,236,000 (31.12.2020: HK\$1,854,197,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 30 June 2021 was 0.55 (31.12.2020: 0.57).

The Group does not have a foreign currency hedging policy but the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

6. CHARGES ON ASSETS

At 30 June 2021, certain leasehold land and buildings, investment properties, right-of-use assets and bank deposits with an aggregate net book value of HK\$154,357,000 (31.12.2020: HK\$164,469,000) were pledged to banks for general banking facilities granted to the Group.

In addition, the Group also pledged the life insurance to a bank to secure general banking facilities granted to the Group.

7. STAFF AND EMPLOYMENT

At 30 June 2021, the Group employed a total workforce of about 747 (30.6.2020: 815) including 720 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK\$35,622,000 (30.6.2020: HK\$31,869,000). It is the Group's policy to review its employees' pay levels and performance bonus system regularly to ensure that the remuneration policy is competitive within the relevant industries. It is the Group's policy to encourage its subsidiaries to send the management and staff to attend training classes or seminars that related to the Group's business. Tailor made internal training programmes were also provided to staff in our PRC factories.

8. BUSINESS REVIEW

For the Period Under Review, although the business of the Group is still affected by Sino American Trade War and the COVID-19 pandemic, the business turnover of the Group has experienced some progress.

For the household products, the business turnover was HK\$74,675,000 representing an increase of 12.4% when comparing with the same period last year and the business had recorded a gain.

For PVC pipe manufacturing business, the business turnover was HK\$329,585,000 representing an increase of 36.5% when comparing with the same period last year and the business had recorded a gain.

During the period under review, the gain arising from changes in fair value of investment properties in Hong Kong and the PRC were HK\$739,000.

The redevelopment of Shenzhen Pingshan Urban Renewal Project as carried out by the developer is progressing in accordance with the schedule as specified in the agreements. Gain arising from changes in fair value of long-term other assets were HK\$40,814,000.

For the six months ended 30 June 2021, the Company did not make any material acquisitions or disposals of subsidiaries, associates or joint ventures. Save as the redevelopment of the Shenzhen Pingshan Urban Renewal Project, the Group did not hold any significant investments as at 30 June 2021.

9. PROSPECTS

Looking to the future, facing with the economic uncertainties due to the Sino American Trade War and COVID-19 effect, the business environment of the business is still challenging.

The Group will monitor the COVID-19 pandemic issue and strengthen the preventive measures against the COVID-19 and encourage all staff to have vaccination so as to protect their health. The Group would also continue to enhance business strategies of the major sectors of business and to control production cost so as to increase competitiveness. The Group will also strive to improve business environment so as to increase profit and generate good return for the Shareholders.

Upon completion of the Land Resumption, the manufacturing facilities of the Group on the Existing Land will be relocated to the rented factories in order to continue its production and operation of the PVC pipes and fittings business. With the receipt of the Monetary Compensation, the Group aims to upgrade and modernise the machineries of the production lines and repay the Group's borrowings which could improve the gearing ratio of the Group.

On the other hand, the Group has been actively formulating the development plan for the Replacement Land. Upon receipt of the Replacement Land, the Group expects to implement the development plan for the Replacement Land and would allocate more resources for the potential property development business of the Replacement Land and the Shenzhen Pingshan Urban Renewal Project in order to maximise the profitability of the Group.

Meanwhile, the redevelopment of Shenzhen Pingshan Urban Renewal Project as carried out by the developer is in progress in accordance with the schedule as specified in the agreements. The Group has generally reviewed the status of construction and obtain updated information on a weekly basis. According to the schedule, the handover of residential properties and commercial properties are expected to complete by mid-2023 and early 2024 respectively.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 31 December 2021 of the Existing Land.



Asset Appraisal Limited
中誠達資產評值顧問有限公司

Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道145號
安康商業大廈9字樓901室
Tel : (852) 2529 9448 Fax : (852) 3554 5854

Date: 17 March 2022

The Board of Directors

World Houseware (Holdings) Limited

Flat C, 18th Floor, Bold Win Industrial Building

Nos. 16-18 Wah Sing Street

Kwai Chung

New Territories

Hong Kong

Dear Sirs,

**Land and Buildings at Lot No. G05701-4
Shan Xia Village, Pinghu Town, Longgang District
Shenzhen City, Guangdong Province
the People's Republic of China (the "PRC")**

In accordance with the instructions from World Houseware (Holdings) Limited (the "Company") to value the captioned property (the "Existing Land"), we confirm that we have inspected the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Existing Land as at 31 December 2021 (the "Valuation Date").

BASIS OF VALUATION

Our valuation of the Existing Land represents the market value of the land use rights of the land parcel of the Existing Land and the building ownership rights of the buildings and structures erected thereon. In accordance with The HKIS Valuation Standards 2020 Edition published by the Hong Kong Institute of Surveyors, Market Value is defined as "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion".

All tangible and intangible assets or rights other than land use rights and building ownership rights that may be found or existed within the Existing Land and any rights to replacement assets and/or monetary compensation that may be entitled by the Company or its subsidiaries (the “**Group**”) pursuant to the Agreement entered into among the Pinghu Street Office, the Land Development Affair Centre, the Planning and Natural Resource Administrative Bureau and the Group on the Valuation Date (the “**Agreement**”) have been disregarded in our valuation of the Existing Land.

TITLESHP

We have been provided with copies of legal documents regarding title to the Existing Land. However, we have not verified ownership of the Existing Land and to ascertain any amendment which may not appear on the copies handed to us.

We have also relied upon the legal opinion provided by the PRC legal advisers, namely Guangdong Guoxin Law Firm (廣東國欣律師事務所), to the Company on the title and other legal matters relation to the Existing Land.

VALUATION METHODOLOGY

In valuing the Existing Land, we have adopted the Market Approach by making use of the Comparison Method where comparison based on price information of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market values.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sell the Existing Land on the market in its existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Existing Land.

As the Existing Land is held by the owner by means of long term Land Use Rights granted by the Government, we have assumed that the owner has good legal title to the Property for the whole of the unexpired term of and use rights disregarding the Agreement by virtue of which the land use right term of the Existing Land may be terminated prematurely.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Existing Land nor for any expenses or taxation which may be incurred in holding it. Unless otherwise stated, it is assumed that the Existing Land is free from encumbrances, restrictions and outgoing of an onerous nature, which could affect its value.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurement to verify the correctness of the site area in respect of the Existing Land but have assumed that the site area and the floor areas shown on the legal documents and official plans handed to us are correct. All documents of the Existing Land have been used as reference only and all dimensions, measurements and areas are approximations.

The Existing Land was last inspected by Zhou Tong, who is a registered PRC Real Estate Appraiser, on 30 November 2021. We have inspected the exterior and, where possible, the interior of the buildings and structures of the Existing Land. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment. During the site inspection, we have ascertained the following matters of the Existing Land:

- The general environment and development conditions of the area in which the Existing Land is situated;
- the existing use(s) of the Existing Land;
- the occupancy of the Existing Land;
- the facilities provided by the Existing Land;
- the existence of any non-conformity use within the Existing Land;
- the repair and maintenance conditions of the Existing Land; and
- the existing of any closure order and resumption order affixed to the Existing Land.

As confirmed by the Company, the Existing Land has not been issued with any administrative order or notice or charged with any penalty for violating of environmental laws and regulations as at the Valuation Date. The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from abnormal earth movement or other causes. It is recommended that the reader of this report consult a qualified environmental auditor for the evaluation of possible environmental defects, the existence of which could have a material impact on market value.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface minerals use rights or conditions investigated.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Existing Land, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

All monetary sums stated in this report are in Renminbi (RMB).

Our valuation certificate is attached herewith.

Yours faithfully,

for and on behalf of

Asset Appraisal Limited

Tse Wai Leung

MFin BSc MRICS MHKIS RPS(GP)

Director

Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Forum and has over 10 years' experience in valuation of properties, ports and logistics facilities in the PRC.

VALUATION CERTIFICATE

Property interests held by the Group for self use

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2021
Land and Buildings at Lot No. G05701-4 Shan Xia Village (山廈村) Pinghu Town Longgang District Shenzhen City Guangdong Province the PRC (中國廣東省深圳市龍崗區平湖鎮山廈村地段編號G05701-4之土地和廠房)	<p>The Existing Land is lying at the junction of Xin Sha Boulevard (新廈大道) and Ping Da Road (平大路) and is falling within an early developed industrial zone where industrial compound occupied for light weight manufacturing and logistics operators are found within its immediate locality. It is situated at about 3 kilometres at the north of the urban proper of Pinghu Town, about 4 kilometres at the south-east of the Niu Hu Subway Station (牛湖地鐵站), about 20 kilometres at the east of the Kuang Ming Cheng Railway Station (光明城站) and about 6 kilometres at the south-east of the Mission Hill Golf Resort.</p> <p>The Existing Land comprises a parcel of industrial land with an area of 206,286.07 square metres on which 16 blocks of single to 5-storey workshop building, 2 blocks of 6-storey dormitory building and 2 blocks of single to 2-storey plant room buildings are erected. They were completed in between 1995 and 2005.</p> <p>The total gross floor area of the subject buildings is 87,627.46 square metres including workshop area of 65,917.07 square metres, dormitory area of 16,755.90 square metres and plant room area of 4,954.49 square metres.</p> <p>The Existing Land is held for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use.</p>	The Existing Land is being occupied by the owner as its production base.	RMB438,000,000

Notes:

- (1) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000430331) registered on 5 August 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop Block A2 with a gross floor area of 5,275.16 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 7 March 2005.

- (2) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000430279) registered on 5 August 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop Block A3 with a gross floor area of 8,009.94 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 12 May 2003.
- (3) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000430273) registered on 5 August 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop Block B1a with a gross floor area of 1,938.84 square metres erected thereon are held by 南塑建材塑膠製品(深圳)有限公司 (transliterated as Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited, a wholly-owned subsidiary of the Company) for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 7 March 2005.
- (4) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000430276) registered on 5 August 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop Block B1b with a gross floor area of 1,938.84 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 7 March 2005.
- (5) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000437038) registered on 7 September 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop B4 with a gross floor area of 3,209.44 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 26 November 2003.
- (6) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000437068) registered on 7 September 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop B5 with a gross floor area of 15,031.31 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 15 May 2000.
- (7) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000437012) registered on 7 September 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop B7 with a gross floor area of 8,740.78 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 26 November 2003.
- (8) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000437035) registered on 7 September 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Polyester Wadding Workshop (噴膠棉車間) No. 1 with a gross floor area of 832.49 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 19 January 1998.

- (9) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000437022) registered on 7 September 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Polyester Wadding Workshop (噴膠棉車間) No. 2 with a gross floor area of 832.49 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 19 January 1998.
- (10) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000437070) registered on 7 September 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Polyester Wadding Workshop (噴膠棉車間) No. 3 with a gross floor area of 832.49 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 19 January 1998.
- (11) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000436910) registered on 7 September 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Boiler Room with a gross floor area of 861.87 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 25 December 1999.
- (12) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000442726) registered on 14 October 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Dormitory Block D1 with a gross floor area of 8,580.12 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 1 January 1996.
- (13) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000442610) registered on 14 October 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Dormitory Block D2 with a gross floor area of 8,175.78 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 28 August 2000.
- (14) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000442709) registered on 14 October 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Power Plant C with a gross floor area of 4,092.62 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 1 January 1996.
- (15) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000442722) registered on 14 October 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop A5 with a gross floor area of 4,606.48 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 1 February 1996.

- (16) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000447200) registered on 9 November 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop B2 with a gross floor area of 1,823.64 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 25 December 1999.
- (17) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000447215) registered on 9 November 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop B3 with a gross floor area of 1,823.64 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 25 December 1999.
- (18) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000447292) registered on 10 November 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop B6 with a gross floor area of 1,937.64 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 7 March 2005.
- (19) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000447214) registered on 9 November 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop A1 with a gross floor area of 2,179.54 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 30 December 1999.
- (20) As revealed from the Real Property Ownership Certificate (Ref: Shen Fang Di Zi No. 6000447156) registered on 9 November 2010, the subject land parcel namely Lot No. G05701-4 with an area of 206,286.07 square metres and Workshop A6 with a gross floor area of 6,904.35 square metres erected thereon are held by Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited for a land use right term of 50 years commencing on 23 February 1994 and expiring on 22 February 2044 for industrial use. The building was completed on 1 July 1995.
- (21) Opinion of the PRC Lawyer on the Existing Land, as arrived based on Real Property Ownership Certificates as mentioned in note 1 to 20 above, the property title registration records retrieved from the relevant Government authorities as at 10 December 2021 and his due analysis, is summarised as follows:
- the property title to the Existing Land was registered in the name of Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited;
 - Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited was still the owner of the Existing Land with 100% ownership;
 - Portion of the Existing Land specified in the 16 sets of Real Estate Ownership Certificates mentioned in note (5) to (20) above are subject to mortgage in favour of Bank of China Limited Shenzhen Buji Branch for a loan amount of RMB480,000,000 registered via Real Estate Certificate Ref Yue (2019) Shen Zhen Shi Bu Dong Chan Zhen Ming Nos. 0014786 to 0014801 all dated 16 January 2019;

- no legal actions against Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited by the aforesaid mortgagee due to non-performance of the mortgagor's contracted obligations;
- the Existing Land has not been applied by the judiciary authority any enforcement measure such as seizure order or order for sale by auction etc;
- Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited has the rights to freely dispose of the portion of the Existing Land specified in the 4 sets of Real Estate Ownership Certificate as mentioned in note (1) to (4) above in the manners as permitted in laws; and
- Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited has the rights to freely dispose of the portion of the Existing Land specified in the 16 sets of Real Estate Ownership Certificate as mentioned in note (5) to (16) above upon its discharging all the mortgagor's contracted obligations of the aforesaid property mortgage and in the manners as permitted in laws.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 31 December 2021 of the Replacement Land.



Asset Appraisal Limited
中誠達資產評值顧問有限公司

Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道145號
安康商業大廈9字樓901室
Tel : (852) 2529 9448 Fax : (852) 3554 5854

Date: 17 March 2022

The Board of Directors

World Houseware (Holdings) Limited

Flat C, 18th Floor, Bold Win Industrial Building

16-18 Wah Sing Street

Kwai Chung

New Territories

Hong Kong

Dear Sirs,

Land Parcels namely
Fu Cheng Ao – Xin Mu Di District
Statutory Plan Lot Nos. 09-18 and 09-20
Pinghu Town, Longgang District
Shenzhen City, Guangdong Province
the People’s Republic of China (the “PRC”)

In accordance with the instructions from **World Houseware (Holdings) Limited** (the “**Company**”) to provide an indicative value of the captioned property (the “**Replacement Land**”), we confirm that we have inspected the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Replacement Land as at **31 December 2021** (the “**Valuation Date**”).

BASIS OF VALUATION

Our valuation of the Replacement Land represents the indicative market value of the land use rights of the Replacement Land. In accordance with The HKIS Valuation Standards 2020 Edition published by the Hong Kong Institute of Surveyors, Market Value is defined as “the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently, and without compulsion”.

As confirmed by the Company, the Replacement Land is currently going through land administrative procedures undertaken by the Shenzhen Town Planning and Natural Resources Administrative Bureau Longgang Administrative Bureau (深圳市規劃和自然資源管理局龍崗管理局) and shall be granted to the Company or its subsidiary in “three links and fully levelled (三通一平)” land formation status in due course.

In arriving at the indicative market value, the Replacement Land has been valued on the basis that it is cleared and vacant land parcel and has its land use rights granted by the Government in commodity property nature (商品房性質) as at the Valuation Date. As the Property has been valued based on the limited information as revealed from the Government documents as available to us, the assessed indicative market value is subject to the terms and conditions of the land grant contract by virtue of which the land use rights of the Replacement Land are formally granted to the Company or its subsidiary and the full and detailed land grant conditions imposed on to the Replacement Land shall be stipulated.

TITLESHIP

According to the Agreement, 深圳市龍崗區平湖街道辦事處 (transliterated as The Shenzhen City Longgang District Pinghu Street Office), 深圳市龍崗區土地整備事務中心 (transliterated as The Shenzhen City Longgang District Land Development Affair Centre) and 深圳市規劃和自然資源局龍崗管理局 (transliterated as The Longgang Administration Bureau of Shenzhen City Planning and Natural Resources Bureau) (altogether referred to the “**Office, Centre, Bureau**”) agreed to apply for the grant of the Replacement Land and undertake all relevant administrative procedures for the purpose of granting the land use rights of the Replacement Land to the Group within 12 months from the date of the Agreement. As advised by the Company based on the information in the public domain, the best knowledge, information and belief of the Directors and all reasonable enquiries made by the Company, the 輔城坳新木地區 (transliterated as Fu Cheng Ao Xin Mu Di District) where the Replacement Land is located, is under the urban redevelopment plan carried out by the Shenzhen Municipal Government and the district is currently under the land resumption and/or requisition such that there is practical difficulty for obtaining the title information of the Replacement Land. As at the Valuation Date, the Office, Centre, Bureau were in the process of completing the aforesaid contracted tasks, therefore, the land use right granting procedures of the Replacement Land have yet to be completed. As the land use rights of the Replacement Land have not been materialized, no title investigation has been performed and no legal opinion has been issued by competent PRC lawyer for the purpose of this valuation.

VALUATION METHODOLOGY

In valuing the Replacement Land, we have adopted the Market Approach by making use of the Comparison Method where comparison based on price information of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market values.

ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Replacement Land on the market in its cleared and vacant state without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Replacement Land.

As the Replacement Land is intended to be held by the owner by means of long term Land Use Rights to be granted by the Government, we have assumed that the owner shall have free and uninterrupted rights to use the Properties for the whole of the unexpired terms of Land Use Rights.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Replacement Land nor for any expenses or taxation which may be incurred in holding it. Unless otherwise stated, it is assumed that the Replacement Land is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurement to verify the correctness of the site area in respect of the Replacement Land but have assumed that the site area and the floor areas shown on the legal documents and official plans handed to us are correct. All documents of the Replacement Land have been used as reference only and all dimensions, measurements and areas are approximations.

The Replacement Land was last inspected by Zhou Tong, who is a registered PRC Real Estate Appraiser, on 19 January 2022. During the site inspection, we have ascertained the following matters of the Replacement Land:

- the general environment and development conditions of the area in which the Replacement Land is situated;
- the existing use(s) of the Replacement Land;
- the occupancy of the Replacement Land; and
- the facilities provided by the Replacement Land.

As confirmed by the Company, the Replacement Land has not been issued with any administrative order or notice or charged with any penalty for violating of environmental laws and regulations as at the Valuation Date. The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from abnormal earth movement or other causes. It is recommended that the reader of this report consult a qualified environmental auditor for the evaluation of possible environmental defects, the existence of which could have a material impact on market value.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface minerals use rights or conditions investigated.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

Unless stated as otherwise, in valuing the Replacement Land, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

All monetary sums stated in this report are in Renminbi (RMB). Our valuation certificate is attached herewith.

Yours faithfully,

for and on behalf of

Asset Appraisal Limited

Tse Wai Leung

MFin BSc MRICS MHKIS RPS(GP)

Director

Tse Wai Leung is a member of the Royal Institution of Chartered Surveyors, a member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor in General Practice and a qualified real estate appraiser in the PRC. He is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Forum and has over 10 years' experience in valuation of properties, ports and logistics facilities in the PRC.

VALUATION CERTIFICATE

Property interests to be held by the Group for future development

Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2021
<p>Land Parcels namely Fu Cheng Ao - Xin Mu Di District Statutory Plan Lot Nos. 09-18 and 09-20 Pinghu Town, Longgang District Shenzhen City, Guangdong Province the PRC</p> <p>(中國廣東省深圳市 龍崗區平湖鎮輔城坳新木 地區法定圖則09-18及 09-20地塊)</p>	<p>The Replacement Land comprises two parcels of development land lying side by side to each other and is located off Ke Yuan West Road (科園西路) to the west and off Fu An Boulevard (富安大道) to the north, nearby an area locally named as Fu Cheng Ao Village (輔城坳村). It is situated at about 3 kilometres at the west of the Pinghu Railway Station and the Pinghu Subway Station, about 25 kilometres at the north of the core city centre of Shenzhen and about 4 kilometres at the south of the Existing Land of Nam Sok Co.</p> <p>The subject locality is an early developed featured with clusters of mixed incompatible land uses. Various medium-rise residential buildings, factory buildings and warehouse buildings intermingling with some commercial and private housing redevelopments are found surrounding the Replacement Land. A newish private housing estate namely Zhuo Yue Xing Yuan (卓越星源) consisting of high rise apartment towers is found adjacent to the Replacement Land at the north.</p> <p>The Replacement Land is tentatively planned for residential type 2 use with respective land area of 18,609 square metres (for Lot No. 09-18) and 12,430 square metres (for Lot No. 09-20). As per our site inspection, the Replacement Land was primarily bare land partially occupied with medium rise residential or industrial buildings. The bare land portion of the Replacement Land was partially used as open storage.</p>	<p>The Replacement Land has been valued on vacant possession basis.</p>	<p>RMB1,656,000,000</p>

Notes:

- (1) Pursuant to an agreement (the “**Agreement**”) entered into among the Pinghu Street Office (Party A); the Land Development Affair Centre (Party B); the Shenzhen Town Planning and Natural Resources Administrative Bureau Longgang Administrative Bureau (Party C); World Houseware Producing Company Limited (a wholly owned subsidiary of the Company, Party D) and 南塑建材塑膠製品(深圳)有限公司 (transliterated as Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited, a wholly-owned subsidiary of the Company, Party E) on 5 November 2021, Party D and Party E agreed to surrender their entire property interests in the Existing Land (being the land and buildings at Lot No. G05701-4 Shan Xia Village, Pinghu Town, Longgang District, Shenzhen City, Guangdong Province with land area and total gross floor area of 206,286.07 square metres and 87,627.46 square metres respectively) to the Government in return for a contractual amount of compensation agreed by all parties. The land use rights in the Replacement Land constitute part of the compensation to be received by Party D and Party E pursuant to the Agreement.
- (2) As confirmed by the Company, the Replacement Land shall be handed over to the Company or its subsidiary upon completion of all land administrative procedures and site formation works up to three links and fully levelled (三通一平) land formation status by the Government within a period of 12 months from the date of the Agreement.
- (3) As revealed from the written confirmation in relation to the town planning parameters of the Replacement Land issued to the Longgang District Land Development Affair Centre (龍崗區土地整備事務中心) on 11 October 2021, by the Shenzhen Town Planning and Natural Resources Administrative Bureau Longgang Administrative Bureau put forward the following opinion:
 - (3.1) According to the Fu Cheng Ao – Xin Mu Di District Statutory Plan, Lot No. 09-18 of the Replacement Land with an area of 18,609.51 square metres has been planned for commercial/residential composite (R2 + C1) use with a plot ratio of 3.8 subject to the provision of ancillary facilities of community service station and neighbourhood cultural room; Lot No. 09-20 of the Replacement Land with an area of 12,430.03 square metres has been planned for commercial/residential composite (R2 + C1) use with a plot ratio of 3.8 subject to the provision of ancillary facilities of community wet market.
 - (3.2) Subject to the final decision of the Statutory Plan Committee (圖則委員會), the Shenzhen Town Planning and Natural Resources Administrative Bureau Longgang Administrative Bureau is in principle backing the proposed changes of town planning parameters applicable to the Replacement Land as set out below.
 - (3.3) The planning parameters applicable to Lot No. 09-18 of the Replacement Land are proposed to be changed to Residential (Type 2) with a plot ratio of 4.0. The plot ratio gross floor area of the new development shall be 67,180.33 square metres for residential use, 3,535.81 square metres for commercial use, 3,750 square metres for community facility use.
 - (3.4) The planning parameters applicable to Lot No. 09-20 of the Replacement Land are proposed to be changed to Residential (Type 2) with a plot ratio of 4.1. Gross floor area of 3,370 square metres of the new development shall be allocated for community facility uses.

- (4) The Company has confirmed the following issues in relation to the development of the Replacement Land:
- (4.1) the Company or its subsidiaries have not engaged any architect, design institute, building consultant or any other relevant professional to produce any conceptual scheme or architectural plan for the development of the Replacement Land;
 - (4.2) the Company or its subsidiaries do not have any knowledge on any material special or general conditions affecting the development of the Replacement Land including abnormal building covenants and time limits for completion of the development; and
 - (4.3) the Company or its subsidiaries do not have any knowledge on any conditions imposed to the Replacement Land as to construction of roadways, pathways, drainage, sewage and other facilities or services for public use.
- (5) Our valuation of the Replacement Land has been arrived at subject to the following assumptions:
- (5.1) The land use rights of the Replacement Land have been granted in commodity property nature for a term of 70 years (for residential use) or 40 years (for commercial use) commencing from the date when the Replacement Land is handed over to the Company or its subsidiary.
 - (5.2) The Replacement Land was in three links and fully levelled land formation status as at the Valuation Date.
 - (5.3) The Replacement Land was free from any third parties' rights including but not limiting to possession rights, leasehold rights, adverse possession rights and indigenous villagers' resettlement rights as at the Valuation Date.
 - (5.4) The Replacement Land was subject to the town planning parameters as mentioned in note (3.3) and (3.4) above. Hence, the total permissible plot ratio gross floor area of the new development to be built on the Replacement Land is 125,401.16 square metres out of which a total gross floor area of 7,120 square metres shall be allocated for community service facility uses.
 - (5.5) Save for community service facilities of 7,120 square metres, the entire development to be built on the Replacement Land shall be freely transferrable in whole or in part on the market through its unexpired land use right term free from any land premium payment or selling price control.
 - (5.6) The aforesaid community service facilities of the new development are not saleable and shall be set aside for common use or to be surrendered to the Government without compensation.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name of Directors	Number of issued ordinary shares held				Total	Percentage of the issued share capital of the Company
	Personal interests	Family interests	Corporate interests	Other interests		
Lee Tat Hing	14,256,072	58,121,087(a)	28,712,551(c)	280,895,630(d)	381,985,340	49.22%
Fung Mei Po	58,121,087	42,968,623(b)	-	280,895,630(d)	381,985,340	49.22%
Lee Chun Sing	34,315,830	2,526,000(e)	-	280,895,630(d)	317,737,460	40.94%
Lee Kwok Sing Stanley	2,481,280	-	-	280,895,630(d)	283,376,910	36.51%
Hui Chi Kuen Thomas	1,300,000	-	-	-	1,300,000	0.17%
Tsui Chi Him Steve	1,200,000	-	-	-	1,200,000	0.15%
Cheung Tze Man Edward	2,000,000	-	-	-	2,000,000	0.26%

Notes:

- (a) Mr. Lee Tat Hing is the husband of Madam Fung Mei Po whose personal interests are therefore also the family interests of Mr. Lee Tat Hing.
- (b) Madam Fung Mei Po is the wife of Mr. Lee Tat Hing whose personal and corporate interests are therefore also the family interests of Madam Fung Mei Po.
- (c) The shares are held by Lees International Investments Limited, a company wholly owned by Mr. Lee Tat Hing. Mr. Lee Tat Hing is the sole director of Lees International Investments Limited.
- (d) 280,895,630 shares are wholly owned by a discretionary trust company namely Goldhill Profits Limited of which Mr. Lee Tat Hing, Madam Fung Mei Po, Mr. Lee Chun Sing and Mr. Lee Kwok Sing Stanley and other persons who are not Directors and chief executive of the Company are the beneficiaries of the Company. Mr. Lee Tat Hing is the sole director of Goldhill Profits Limited.

- (e) The shares are held by Madam Lai Lai Wah, the wife of Mr. Lee Chun Sing whose personal interests are also the family interests of Mr. Lee Chun Sing.

As at the Latest Practicable Date, the following Director had personal interests in the deferred non-voting shares of certain subsidiaries of the Company:

Name of director	Name of subsidiaries	Number of deferred non-voting shares held
Fung Mei Po	World Home Linen Manufacturing Company Limited	100

The deferred shares do not carry any rights to vote at general meetings of these subsidiaries or to participate in any distributions of profits until the profits of these subsidiaries which are available for dividend exceed HK\$10 billion, or to receive a return of capital until a total sum of HK\$10 billion has been distributed to the ordinary shareholders of each of these subsidiaries.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Companies.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Company, no other Director is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholders

As at the Latest Practicable Date, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests in shares disclosed above in respect of the Directors the Company has not been notified of any other interests representing 5 percent or more of the Company's issued share capital as at the Latest Practicable Date.

Save as disclosed in this circular, the Directors and chief executive of the Company are not aware of any other person who, as at the Latest Practicable Date, had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Part XV of the SFO.

Share Options and Directors' Rights to Acquire Shares or Debentures

The following table discloses the Company's share option as at the Latest Practicable Date:

	Date of grant	Exercise price HK\$ (Note 1)	Exercisable period	Outstanding as at the Latest Practicable Date
Category 1: Directors				
Lee Tat Hing	01.09.2015	0.580	01.09.2015 to 31.08.2025	6,500,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	7,500,000
Fung Mei Po	22.12.2020	0.357	22.12.2020 to 21.12.2030	7,500,000
Lee Chun Sing	01.09.2015	0.580	01.09.2015 to 31.08.2025	3,000,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	5,000,000
Lee Kwok Sing Stanley	12.11.2012	0.309	12.11.2012 to 11.11.2022	4,500,000
	01.09.2015	0.580	01.09.2015 to 31.08.2025	3,000,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	1,100,000
Cheung Tze Man Edward	01.09.2015	0.580	01.09.2015 to 31.08.2025	500,000
Tsui Chi Him Steve	01.09.2015	0.580	01.09.2015 to 31.08.2025	300,000
Hui Chi Kuen Thomas	01.09.2015	0.580	01.09.2015 to 31.08.2025	300,000
Ho Tak Kay	12.11.2012	0.309	12.11.2012 to 11.11.2022	600,000
	01.09.2015	0.580	01.09.2015 to 31.08.2025	300,000
Category 2: Employees	12.11.2012	0.309	12.11.2012 to 11.11.2022	5,000,000
	01.09.2015	0.580	01.09.2015 to 31.08.2025	9,100,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	3,700,000
				57,900,000

Note 1: These share options are exercisable, starting from the date of options granted for a period of 10 years.

Other than as disclosed above at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

3. DIRECTORS' INTEREST IN CONTRACTS

- (a) As at the Latest Practicable Date, no Director was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group taken as a whole.
- (b) Since the date to which the latest published audited financial statements of the Group were made up, none of the Directors has had any direct or indirect interest in any assets acquired or disposed of or leased to or proposed to be acquired or disposed of by any member of the Group.

4. DIRECTOR'S INTEREST IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors and their respective associates has an interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest with the Group pursuant to the Listing Rules:

5. DIRECTORS' SERVICE AGREEMENTS

All Directors have entered into service agreements with the Company for a term of three years, the details are as follows:

Name of Directors	Date of commencement	Date of expiration
Mr. Lee Tat Hing	18 June 2019	17 June 2022
Ms. Fung Mei Po	12 June 2020	11 June 2023
Mr. Lee Chun Sing	12 June 2020	11 June 2023
Mr. Lee Kwok Sing Stanley	25 June 2021	24 June 2024
Mr. Cheung Tze Man Edward	12 June 2020	11 June 2023
Mr. Tsui Chi Him Steve	12 June 2020	11 June 2023
Mr. Ho Tak Kay	6 September 2020	5 September 2023
Mr. Hui Chi Kuen Thomas	6 September 2020	5 September 2023

As at the Latest Practicable Date, other than as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group is engaged in any litigation or claims of material importance known to the Directors to be pending or threatened against any members of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 December 2020, being the date to which latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL CONTRACTS

Save as the Agreement, no other material contract (being contracts not entered into in the ordinary course of business) has been entered into by the Group within the two years immediately preceding the Latest Practicable Date.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this circular:

Name	Qualification
AAL	Professional property surveyors and valuers

AAL has given and has not withdrawn its written consents to the issue of this circular with the inclusion herein of its reports references to its names in the form and context in which they appear.

As at the Latest Practicable Date, AAL did not have any interest, either direct or indirect, in any assets which have been, since 31 December 2020, being the date to which the latest published consolidated financial statements of the Group were made up, acquired or disposed of the Group nor any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. MISCELLANEOUS

- (a) There is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practical Date in which any Director is materially interested and which is significant in relation to the business of the Group.
- (b) None of the Directors has any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.
- (c) The company secretary of the Company is Mr. Tsui Chi Yuen, CPA.
- (d) The Company's Hong Kong branch share register and transfer office is Tricor Secretaries Limited, which is situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (e) This circular has been prepared in both English and Chinese. In the case of any discrepancy, the English text shall prevail.

11. DOCUMENTS AVAILABLE FOR DISPLAY

Copies of the following documents will be available for display on the Stock Exchange's website (www.hkex.com.hk) and the Company's own website (www.worldhse.com) from the date of this circular up to 14 days thereafter where applicable.

- (a) The Agreement;
- (b) the valuation report of the Existing Land prepared by AAL, the text of which is set out in Appendix II to this circular;
- (c) the valuation report of the Replacement Land prepared by AAL, the text of which is set out in Appendix III to this circular; and
- (d) the written consent referred to in the sub-section headed "Expert and Consent" in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of World Houseware (Holdings) Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) will be held with a combination of an in-room meeting at Flat C, 18th Floor, Bold Win Industrial Building, 16-18 Wah Sing Street, Kwai Chung, New Territories and an online meeting at 2:30 p.m. on Thursday, 7 April 2022 for the purpose of considering and if thought fit, passing the following resolution as ordinary resolution of the Company:

“THAT:

- (a) the agreement dated 5 November 2021 (the “**Agreement**”), a copy of which has been produced to the EGM marked “**A**” and initialed by the chairman of the EGM for the purpose of identification) entered between two wholly owned subsidiaries of the Company, World Houseware Producing Company Limited (“**World Producing Co.**”) and Nam Sok Building Material & Plastic Products (Shenzhen) Company Limited (“**Nam Sok Co.**”) with 深圳市龍崗區平湖街道辦事處 The Shenzhen City Longgang District Pinghu Street Office* (“**Pinghu Street Office**”), 深圳市龍崗區土地整備事務中心 The Shenzhen City Longgang District Land Development Affair Centre* and 深圳市規劃和自然資源局龍崗管理局 The Longgang Administration Bureau Shenzhen City Planning and Natural Resources Bureau* (collectively, the “**Office, Centre, Bureau**”) to co-operate with the development time of the PRC government’s overall benefit in the land development project in relation to the resumption of the piece of land with a site area of approximately 206,286 sq.m. located in Shenzhen (the “**Existing Land**”), the PRC which was acquired by “World Producing Co.” in the year of 1994 and transferred the property rights with no value to “Nam Sok Co.” in the year of 2010, the Existing Land is being occupied by “Nam Sok Co.” as its manufacturing factories. Pursuant to the Agreement, “World Producing Co.” and “Nam Sok Co.” are responsible for the provision of the Existing Land and demolition of the buildings, structures, greening and relevant fixtures erected on the land. The “Office, Centre, Bureau” will compensate the piece of land (the “**Replacement Land**”) with a site area of approximately 31,039 sq.m. located in Shenzhen, the PRC, the difference between the valuation of the Existing Land and that of the Replacement Land, the expenses and losses in relation to the relocation and restoration of underground construction at the Existing Land to the Group and the transactions contemplated thereunder be and are hereby confirmed, approved and ratified; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts and things, and to sign and execute all such further documents and to take all steps as the Directors may in their absolute discretion consider necessary, appropriate, desirable or expedient or implement and/or give full effect to or in connection with the Agreement and the transactions contemplated thereunder.”

By Order of the Board
World Houseware (Holdings) Limited
Lee Tat Hing
Chairman

Hong Kong, 17 March 2022

Registered office:

P.O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Head office and principal place of business in Hong Kong:

Flat C, 18th Floor
Bold Win Industrial Building
16-18 Wah Sing Street
Kwai Chung
New Territories
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, subject to the provisions of the Articles of Association, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which such proxy is so appointed. However, given the special arrangements adopted by the Company as set out in the section headed “Special Arrangements for the EGM” of this circular (of which this notice forms part), if a Shareholder (other than those who are required to attend the EGM physically to form a quorate meeting) wishes to vote on any resolution at the EGM, he/she/it must complete the proxy form and appoint the chairman of the EGM as his/her/its proxy to exercise his/her/its right to vote at the EGM in accordance with his/her/its instructions.
2. A form of proxy for use at the meeting is enclosed. To be valid, this form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the office of the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment hereof.

NOTICE OF EXTRAORDINARY GENERAL MEETING

3. The register of members of the Company will be closed from 1 April 2022 to 7 April 2022, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the right to attend and vote at the meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 31 March 2022.
4. Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the EGM arrangements at short notice. Shareholders should check the Company's website (<http://www.worldhse.com/>) or the website of the Stock Exchange (www.hkex.com.hk) for future announcements and update on the EGM arrangement.

SPECIAL ARRANGEMENTS FOR THE EGM

NO PHYSICAL ATTENDANCE AT THE EGM

In light of the new regulations of Prevention and Control of Disease (Requirements and Directions) (Business and Premises) Regulation (Chapter 599F, Laws of Hong Kong) announced by the Government of the Hong Kong Special Administrative Region with effect from 10 February 2022, including the prohibition of the holding of physical general meetings of companies, to combat the spread of COVID-19, as well as the uncertainty of the development of COVID-19 and the corresponding restriction measures, the Board hereby announces that the EGM will be conducted with a combination of an in-room meeting and an online meeting via electronic means. The Shareholders and/or their proxies (other than those who are required to attend physically to form a quorum meeting) will NOT be able to attend the EGM in person, and can only view and listen to a live webcast of the EGM via electronic means. Shareholders who attend the EGM online will not be counted to the quorum of the EGM.

The EGM will be broadcasted from the EGM venue in Hong Kong (the "EGM Venue") and only the minimum number of persons will be physically present at the EGM Venue as is legally required to form a quorate meeting by the Directors or other senior staff members of the Company who are Shareholders or proxy. Other Directors will participate by way of electronic means.

Shareholders will be able to view and listen to the EGM through a live webcast from 2:30 p.m.. on 7 April 2022 on a computer, tablet or any browser enabled device. Please follow the instructions on the landing page on how to access the webcast. Shareholders will need to complete the following steps to be able to access the live webcast of the EGM of the Company:

NOTICE OF EXTRAORDINARY GENERAL MEETING

Accessing Proceedings of the EGM By Tencent Meeting

For Shareholders who would like to view and listen to the EGM live webcast, you will need to register by sending an email to is-enquiries@hk.tricorglobal.com or via telephone hotline at (852) 2980 1333 by providing personal particulars as follows:

- a) Full name;
- b) Registered Address;
- c) Number of Shares held;
- d) Contact Telephone Number; and
- e) Email Address,

no later than 2:30 p.m. on 1 April 2022 (being not less than 3 Business Days before the date appointed for holding the EGM) to enable the Company to verify the Shareholders' status.

Authenticated Shareholders will receive an email confirmation by 6 April 2022 which contains a link to join the live webcast of the EGM. Shareholders MUST NOT forward the link to other persons who are not the Shareholders and who are not entitled to attend the EGM.

Vote by appointing the chairman of the EGM as your proxy

All resolutions at the EGM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the EGM by proxy. If you wish to vote on any resolution at the EGM, you must appoint the chairman of the EGM as your only proxy to exercise your right to vote at the EGM in accordance with your instructions, otherwise you will not be able to exercise your vote. No gifts will be distributed and no refreshments will be served at the EGM.

The proxy form has been posted to Shareholders together with this circular. The proxy form can be downloaded from the "Investor Relations" section of the Company's website (www.worldhse.com) or the website of the Stock Exchange (www.hkexnews.hk). If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of a proxy.

The proxy form should be returned to the Company's branch share registrar, Tricor Secretaries Limited, which is situated at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time for holding the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Questions from Shareholders

Shareholders may submit any questions they may have in advance in relation to any resolution set out in the Notice of EGM by 2:30 p.m. on 1 April 2022 (being not less than 3 Business Days before the date appointed for holding the EGM) via email to is-enquiries@hk.tricorglobal.com providing personal particulars as follows for verification purposes:

- a) Full name;
- b) Registered Address;
- c) Number of Shares held;
- d) Contact Telephone Number; and
- e) Email Address.

Shareholders can also submit questions during the EGM through the webcast link provided. The Board will arrange for as many of the questions asked to be answered as possible at the EGM.

Changes to arrangements

We are closely monitoring the impact of COVID-19 in Hong Kong. Should any changes be made to the EGM arrangements, we will notify Shareholders via an announcement posted on the Company's website (www.worldhse.com) and the website of the Stock Exchange (www.hkexnews.hk).

If Shareholders have any questions relating to the EGM, please contact Tricor Secretaries Limited, the Company's branch share registrar as follows:

Tricor Secretaries Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong