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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)

**DISCLOSEABLE TRANSACTION
DISPOSAL OF LAND USE RIGHTS AND BUILDINGS**

THE DISPOSAL

The Board is pleased to announce that, on 14 October 2022, Nam Sok Building Material & Plastic Products (Changshu) Co., Ltd.* (“Party A”), a wholly owned subsidiary of the Company, as vendor. Tisheng (Changshu) Industrial Investment Co., Ltd.* (“Party B”), as purchaser. The People's Government of Shanghu Town, Changshu City* (“Party C”), as coordinator and Changshu City Shanghu Technology Entrepreneurial Development Company Limited* (“Party D”), as capital supervisor for this transaction. In order to cooperate with “Party C” to speed up the industrial upgrading in Shanghu Town and to promote the policy of the redevelopment and utilization of existing land. “Party A” with “Party B” and “Party D” who were introduced by “Party C”, a total of four parties entered into the Agreement.

“Party A” agreed to sell, “Party B” agreed to acquire the “Part of Relevant Land and Buildings” at a consideration of RMB56,520,000 (equivalent to approximately HK\$ 66,128,000). “Party C” is responsible for the coordinating and completing the division of the parcels of land etc. involved in this asset transaction, and will grant “Party A” a full refund of tax expenses related to the Disposal as incentive. “Party D” is responsible for the capital supervision of transaction receipts and payments.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction and is subject to announcement and reporting requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 14 October 2022, “Party A” in order to cooperate with “Party C”, to speed up the industrial upgrading in Shanghu Town and to promote the policy of redevelopment and utilization of existing land, “Party A” currently owns the land and buildings erected on the land located at 中國江蘇省常熟市尚湖鎮山鑫村工業園區壓顧線 199 號 No. 199, Yagu Line, Shanxin Village Industrial Park, Shanghu Town, Changshu City, Jiangsu Province, the PRC* (the “Existing Land and Buildings”) agreed to sell part of the land use rights and part of the buildings erected on the land (the “Part of Relevant Land and Buildings”) to “Party B” at a consideration of approximately RMB56,520,000 (equivalent to approximately HK\$66,128,000) (the “Consideration”), the final consideration amount will be adjusted according to the final surveyed area, if the difference in the final surveyed area is within +/-0.3%, no change will be made. Most of the “Part of Relevant Land & Buildings” are currently vacant.

“Party C” is responsible for the coordinating and completing the division of the parcels of land involved in this asset transaction, “Party B” shall bear and pay all the expenses in relation to the land division. “Party C” will grant “Party A” a full refund of tax expenses in relation to the asset transaction as incentive. “Party D” is responsible for capital supervision of transaction receipts and payments.

THE PRINCIPAL TERMS OF THE AGREEMENT ARE AS FOLLOWS:

Date: 14 October 2022

Parties

Party A: “Nam Sok Changshu”, a wholly owned subsidiary of the Company, as the Vendor.

Party B: “Tisheng”, is mainly engaged in the development of various international high-standard industrial parks throughout the PRC, as the Purchaser.

Party C: “Shanghu Town People's Government”, is the People's Government of Shanghu Town, Changshu City, the PRC, which is responsible for the coordinating and completing the division of the parcels of land involved in this asset transaction, as the Coordinator.

Party D: “Shanghu Company”, a 100% state-owned company, as the capital supervisor of this transaction.

The Company has not entered into any transaction of a similar nature with “Party B”, “Party C” and “Party D” in the past 12 months that would need to aggregated in accordance with Rule 14.22 of the Listing Rules.

DETAILS OF THE PART OF RELEVANT LAND AND BUILDINGS

The “Part of Relevant Land and Buildings” are located at 中國江蘇省常熟市尚湖鎮山鑫村工業園區壓顧線 199 號 No. 199, Yagu Line, Shanxin Village Industrial Park, Shanghu Town, Changshu, Jiangsu Province, the PRC* and the title certificates numbers are 004005 and 004006, in which part of the land with a site area of approximately 65,000 sq.m., and part of buildings erected on the land that a gross floor area of approximately 26,000 sq.m. with title certificates, and those with a gross floor area approximately 2,000 sq.m. without title certificates. “Party A” shall deliver to “Party B” according to the overall current status of the “Part of Relevant Land and Buildings”.

CONSIDERATION AND PAYMENT TERMS

The Consideration of the “Part of Relevant Land and Buildings” was negotiated on an arm’s length basis between the Vendor and the Purchaser with reference to the asset valuation reports prepared by 蘇州市安嘉禾土地房地產資產評估有限公司 Suzhou Anjiahe Land and Real Estate Assets Appraisal Company Limited* as at 10 March 2021.

The planned transaction amount on 30 September 2021 was RMB56,520,000 (equivalent to approximately HK\$66,128,000), the final transaction amount will be adjusted according to the final surveyed area, if the difference in the final surveyed area is within +/-0.3%, the final transaction amount remains unchanged.

- (i) “Party C” shall pay RMB 5 million (equivalent to approximately HK\$5,850,000) as an 意向金 earnest payment* to “Party A” within 3 working days from the date of signing the Agreement, as the pre-conditions for starting the relevant transaction procedures of the assets transaction. The amount received by “Party A” will be directly regarded as “Party C”’s refund of part of the tax expenses that “Party A” has to bear for this assets transfer. The insufficient part will be supplemented by “Party C” as an incentive.
- (ii) “Party B” shall pay the Consideration to the bank account designated by “Party D” within 5 working days after “Party C” pays the 意向金 earnest payment* to “Party A”.
- (iii) After “Party B” fulfills the above point (ii) in accordance with the Agreement, “Party A” shall cooperate with all approval and value-added tax verification procedures, and apply to “Party D” for withdrawal of RMB20 million (equivalent to approximately HK\$ 23,400,000) by virtue of the 單位轉讓房地產涉稅複審處理單 tax related reexamination form of the real estate transferred by the units*, “Party A” shall pay the tax expenses that “Party A” shall bear for this asset transfer within 1 working day after the receipt of the payment.

- (iv) After completing point (iii) above, both “Party A” and “Party B” shall submit the documents of assets transfer to government within 1 working day. After “Party D” obtains the receipt of “Party A”’s documents of assets transfer or the property rights of the “Part of Relevant Land and Buildings” are transferred to “Party B”, (whichever occurs earlier), “Party A” applies to “Party D” for the balance of approximately RMB 36,520,000 (equivalent to approximately HK\$42,728,000) and “Party D” shall pay to “Party A” on the same day or the next day.

If the parties have disputes over the Agreement and the negotiation fails, either party may file a lawsuit with 中國常熟市有管轄權的人民法院 the People's Court with Jurisdiction in Changshu, the PRC*.

POLICY SUPPORT AND INCENTIVE

In order to encourage the maximum utilization of land resources, “Party C” waive the procedure for the price difference in land compensation for the transfer of land use rights, and fully refund all tax expenses borne by “Party A” on the transfer of the rights and interests of the “Part of Relevant Land & Buildings”.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board in order to cooperate with “Party C” to speed up the implementation of industrial upgrading in Shanghu Town and to promote the redevelopment and utilization of existing land, and the transfer of the rights and interest of the “Part of Relevant Land and Buildings” can take the tax incentive. The Board considers that it is a right time to dispose of the “Part of Relevant Land and Buildings”.

After the completion of the transaction, “Party A” will continue to engage in the original production and sales business using the “Remaining Land and Buildings”, the Board believes that the Disposal does not have a significant impact on the overall business of the Group.

After considering the above factors, the Board considers that the transaction of the Disposal is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

USE OF PROCEEDS AND FINANCIAL IMPACTS OF THE DISPOSAL

The company intends to use all the proceeds as working capital of the Group's wholly owned subsidiaries in the PRC.

Based on the audited annual report for the year ended 31 December 2021 of the Company, the net asset value of the "Part of Relevant Land & Buildings" were approximately HK\$17,276,000, the Company is expected to record an estimated net gain before deduction of relevant taxes of approximately HK\$48,852,000 from the Disposal.

INFORMATION OF 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.

Party A: "Nam Sok Changshu" is principally engaged in the manufacturing and sale of PVC, P.E., P.P. pipes and fittings products.

Party B: "Tisheng" is principally engaged in the development of various international high-standard industrial parks in the PRC.

Party C: "Shanghu Town People's Government" is responsible for coordinating and completing the division of the parcels of land involved in this assets transaction.

Party D: "Shanghu Company" is principally engaged in the provision of services for promotion and application of technology.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, "Party B" and their ultimate beneficial owner 劉玉冰 Lau Yuk Bing* are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction and is subject to announcement and reporting requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreement”	存量土地再開發協議 Redevelopment of existing land agreement* dated 14 October 2022 entered into between “Party A”, “Party B”, “Party C” and “Party D” in respect of the Disposal.
“Board”	the board of Directors
“Company”	World Houseware (Holdings) Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“Consideration”	the consideration receivable by the Company for the Disposal, being approximately RMB56,520,000 (equivalent to approximately HK\$66,128,000)
“Directors”	the directors of the Company
“Disposal”	“Party A” dispose of the land use rights and buildings to “Party B” pursuant to the Agreement
“Existing Land and Buildings”	Located at 中國江蘇省常熟市尚湖鎮山鑫村工業園區壓顧線 199 號 No. 199, Yagu Line, Shanxin Village Industrial Park, Shanghu Town, Changshu City, Jiangsu Province, the PRC* and the title certificate numbers are 004005 and 004006, the land with total site area of approximately 113,000 sq.m., buildings erected on the land with a gross floor area of approximately 45,000 sq.m. with title certificates, and those with a gross floor area 2,000 sq.m. without title certificates.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	The People’s Republic of China
“Party A” or “Vendor” or “Nam Sok Changshu”	南塑建材塑膠製品（常熟）有限公司 Nam Sok Building Material & Plastic Products (Changshu) Co., Ltd.* a limited company established under the laws of the PRC, which is a wholly owned subsidiary of the Company
“Party B” or “Purchaser” or “Tisheng”	天尚（常熟）產業投資有限公司 Tisheng (Changshu) Industrial Investment Co., Ltd.*, a limited company established under the laws of the PRC, which is a wholly owned subsidiary of TISHENG RIGHT PTE. LTD, a limited company established under the laws of the Republic of Singapore.
“Party C” or “People’s Government of Shanghu Town”	常熟市尚湖鎮人民政府 The People's Government of Shanghu Town, Changshu City*, which is responsible for the coordinating and completing the division of the parcels of land involved in this asset transaction, as the Coordinator.
“Party D” or “Shanghu Company”	常熟市尚湖科技創業發展有限公司 Changshu City Shanghu Technology Entrepreneurial Development Company Limited*, 100% state-owned company, which is responsible for the capital supervision of transaction receipts and payments for this transaction, as the capital supervisor.
“Part of Relevant Land and Buildings”	Located at 中國江蘇省常熟市尚湖鎮山鑫村工業園區壓顧線 199 號 No. 199, Yagu Line, Shanxin Village Industrial Park, Shanghu Town, Changshu City, Jiangsu Province, the PRC* and the title certificate numbers are 004005, 004006, in which part of land with a site area of approximately 65,000 sq.m., and part of buildings erected on the land that a gross floor area of approximately 26,000 sq.m. with title certificates, and those with a gross floor area 2,000 sq.m. without title certificates.
“Remaining Land and Buildings”	Located at 中國江蘇省常熟市尚湖鎮山鑫村工業園區壓顧線 199 號 No. 199, Yagu Line, Shanxin Village Industrial Park, Shanghu Town, Changshu City, Jiangsu Province, the PRC* and title certificate numbers are 004005, 004006, in which the remaining land and buildings erected on the land after the Disposal of the “Part of Relevant Land and Buildings”.

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	shareholders of the Company
“ sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For the purpose of this announcement, unless otherwise specified, the conversion of RMB into HK\$ is based on the approximate exchange rate from RMB1.00 to HK\$1.17. 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.

** The English translation of the Chinese names in this announcement marked with “*” are not official English names and are for identification purpose only.*

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

Hong Kong, 14 October 2022

As at the date of this announcement, the executive directors of the Company are Mr. Lee Tat Hing, Madam Fung Mei Po, Mr. Lee Chun Sing, Mr. Lee Kwok Sing Stanley; the non-executive director of the Company is Mr. Cheung Tze Man Edward; the independent non-executive directors of the Company are Mr. Tsui Chi Him Steve, Mr. Hui Chi Kuen Thomas and Mr. Ho Tak Kay.