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WORLD HOUSEWARE (HOLDINGS) LIMITED
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 713)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

The Board of Directors (the “Board”) of World Houseware (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2009 together with the comparative figures for the last corresponding year:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Turnover	3	922,576	999,169
Cost of sales		(764,255)	(930,616)
Gross profit		158,321	68,553
Other income		8,019	6,668
Other gains and losses		(1,940)	(15,556)
Selling and distribution costs		(14,186)	(15,796)
Administrative expenses		(91,291)	(103,021)
Allowance for bad and doubtful debts		(15,389)	(3,288)
Finance costs	4	(8,253)	(11,853)
Profit (loss) before taxation		35,281	(74,293)
Taxation	5	(5,876)	5,385
Profit (loss) for the year, attributable to owners of the Company	6	29,405	(68,908)
Other comprehensive income			
Exchange differences arising on translation of financial statements of foreign operations		6,118	72,781
Total comprehensive income for the year, attributable to owners of the Company		35,523	3,873
Earnings (loss) per share – basic	7	4.3 HK cents	(10.2) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2009

	<i>Notes</i>	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Non-current assets			
Investment properties		19,170	16,550
Property, plant and equipment		648,216	674,116
Prepaid lease payments		129,489	132,338
Deposits paid for acquisition of property, plant and equipment		1,221	2,622
Intangible assets		2,496	2,869
Financial asset at fair value through profit or loss		6,859	6,267
		807,451	834,762
Current assets			
Inventories		192,776	167,419
Trade and other receivables	8	201,525	209,227
Prepaid lease payments		3,470	3,454
Taxation recoverable		3,478	4,037
Pledged bank deposits		46,595	22,946
Bank balances and cash		67,396	46,917
		515,240	454,000
Current liabilities			
Trade and other payables	9	180,894	196,148
Amounts due to directors		30,125	27,798
Taxation payable		8,097	1,301
Bank borrowings – amount due within one year		171,014	176,481
		390,130	401,728
Net current assets		125,110	52,272
Total assets less current liabilities		932,561	887,034
Non-current liabilities			
Bank borrowings – amount due after one year		34,599	21,832
Deferred taxation liabilities		8,476	11,239
		43,075	33,071
		889,486	853,963
Capital and reserves			
Share capital		67,642	67,642
Reserves		821,844	786,321
		889,486	853,963

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2009

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosure required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised Standards, Amendments and Interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowings costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) – INT 9 & HKAS 39 (Amendments)	Embedded derivatives
HK(IFRIC) – INT 13	Customer loyalty programmes
HK(IFRIC) – INT 15	Agreements for the construction of real estate
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation
HK(IFRIC) – INT 18	Transfers of assets from customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendments to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the financial statements of the Group for the current or prior accounting periods.

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.

HKFRS 8 Operating Segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group’s reportable segments (see note 3).

Improving disclosure about financial instruments (amendments to HKFRS 7 Financial instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The amendments also expand and amend the disclosures required in relation to liquidity risk. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of improvements to HKFRSs 2008 ¹
HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKAS 24 (Revised)	Related party disclosures ⁶
HKAS 27 (Revised)	Consolidated and separate financial statements ¹
HKAS 32 (Amendment)	Classification of right issues ⁴
HKAS 39 (Amendment)	Eligible hedged items ¹
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters ³
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters ⁵
HKFRS 2 (Amendments)	Group cash-settled share-based payments transactions ³
HKFRS 3 (Revised)	Business combinations ¹
HKFRS 9	Financial instruments ⁷
HK(IFRIC) – INT 14 (Amendment)	Prepayments of a minimum funding requirement ⁶
HK(IFRIC) – INT 17	Distribution of non-cash assets to owners ¹
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instrument ⁵

¹ Effective for annual periods beginning on or after 1 July 2009.

² Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.

³ Effective for annual periods beginning on or after 1 January 2010.

⁴ Effective for annual periods beginning on or after 1 February 2010.

⁵ Effective for annual periods beginning on or after 1 July 2010.

⁶ Effective for annual periods beginning on or after 1 January 2011.

⁷ Effective for annual periods beginning on or after 1 January 2013.

The application of HKFRS 3 (Revised) may affect the Group's accounting for business combination for which the acquisition date is on or after 1 January 2010. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary.

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with earlier application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments or Interpretations will have no material impact on the consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

Business segment

The Group has adopted HKFRS 8 "Operating Segments" with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14, "Segment reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14. Nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss.

The Group's operating and reportable segments under HKFRS 8 are as follows:

Household products	–	manufacture and distribution of household products
PVC pipes and fittings	–	manufacture and distribution of PVC pipes and fittings

In addition, "others" segments represents the investment in properties.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment without allocation of central administration costs, interest income, gain on disposal of a subsidiary, gain arising from derivative financial instruments classified as held for trading, gain (loss) arising from fair value change of financial asset at fair value through profit or loss and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

Segment turnover and results

The following is an analysis of the Group's turnover and results by operating segments.

For the year ended 31 December 2009

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Others HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Turnover					
Sales of goods					
External sales	389,905	531,394	-	-	921,299
Inter-segment sales	890	1,350	-	(2,240)	-
Rental income	-	-	1,277	-	1,277
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>390,795</u>	<u>532,744</u>	<u>1,277</u>	<u>(2,240)</u>	<u>922,576</u>
Segment profit	24,418	36,834	3,778	-	65,030
Gain arising from fair value changes of financial asset at fair value through profit or loss					592
Interest income					769
Unallocated corporate expenses					(22,857)
Finance costs					(8,253)
					<u> </u>
Profit before taxation					<u>35,281</u>

Inter-segment sales are charged at cost plus certain mark-up.

For the year ended 31 December 2008

	Household products <i>HK\$'000</i>	PVC pipes and fittings <i>HK\$'000</i>	Others <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover					
Sales of goods					
External sales	471,126	526,961	–	–	998,087
Inter-segment sales	673	1,043	–	(1,716)	–
Rental income	–	–	1,082	–	1,082
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>471,799</u>	<u>528,004</u>	<u>1,082</u>	<u>(1,716)</u>	<u>999,169</u>
Segment (loss) profit	(32,954)	(28,628)	3,920	–	(57,662)
Gain on disposal of a subsidiary	–	–	14,639	–	14,639
Gain arising from derivative financial instruments classified as held for trading					2,039
Loss arising from fair value changes of financial asset at fair value through profit or loss					(753)
Interest income					997
Unallocated corporate expenses					(21,700)
Finance costs					(11,853)
					<u> </u>
Loss before taxation					<u>(74,293)</u>

Inter-segment sales are charged at cost plus certain mark-up.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

At 31 December 2009

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Others HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	500,289	598,122	19,170	1,117,581
Unallocated assets				205,110
Consolidated total assets				<u>1,322,691</u>
Liabilities				
Segment liabilities	59,163	117,945	–	177,108
Unallocated liabilities				256,097
Consolidated total liabilities				<u>433,205</u>

At 31 December 2008

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Others HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	524,122	585,301	16,550	1,125,973
Unallocated assets				162,789
Consolidated total assets				<u>1,288,762</u>
Liabilities				
Segment liabilities	79,656	114,889	75	194,620
Unallocated liabilities				240,179
Consolidated total liabilities				<u>434,799</u>

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating and reportable segments without allocation of financial asset at fair value through profit or loss, taxation recoverable, pledged bank deposits, bank balances and cash and leasehold buildings and prepaid lease payments provided to group directors as residential accommodation.
- all liabilities are allocated to operating and reportable segments without allocation of amounts due to directors, taxation payable, bank borrowings, deferred taxation liabilities, bonus payable and accruals of administrative expenses in head office.

Other Segment Information

For the year ended 31 December 2009

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Others HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or segment assets:						
Additions to non-current assets (<i>note</i>)	16,056	13,839	-	29,895	814	30,709
Depreciation	24,387	25,372	-	49,759	1,063	50,822
Amortisation of intangible assets	393	-	-	393	-	393
Amortisation of prepaid lease payments	1,714	879	-	2,593	876	3,469
Allowance for bad and doubtful debts	4	15,385	-	15,389	-	15,389
(Reversal of allowance) allowance for inventories obsolescence, net	(132)	435	-	303	-	303
Exchange loss (gain), net	1,177	(277)	-	900	-	900
Loss (gain) on disposal of property, plant and equipment	1,090	(206)	-	884	-	884
Gain arising from fair value changes of investment properties	-	-	(2,620)	(2,620)	-	(2,620)
Write off of other receivables	1,527	-	-	1,527	-	1,527
Impairment loss recognised in respect of property, plant and equipment	1,841	-	-	1,841	-	1,841

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:

Gain arising from fair value change of financial asset at fair value through profit or loss	-	-	-	-	(592)	(592)
Interest income	(261)	(508)	-	(769)	-	(769)
Interest expenses	4,788	3,465	-	8,253	-	8,253
Income tax expenses	4,289	1,587	-	5,876	-	5,876

Note: Non-current assets excluded financial asset at fair value through profit or loss.

For the year ended 31 December 2008

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Others HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets:						
Addition to non-current assets (<i>note</i>)	20,295	32,359	–	52,654	258	52,912
Depreciation	25,521	26,786	–	52,307	1,046	53,353
Amortisation of intangible assets	372	–	–	372	–	372
Amortisation of prepaid lease payments	2,084	869	–	2,953	876	3,829
Allowance for bad and doubtful debts	(417)	3,705	–	3,288	–	3,288
Allowance for inventories obsolescence, net	3,808	429	–	4,237	–	4,237
Exchange loss (gain), net	17,798	(1,650)	–	16,148	–	16,148
Loss (gain) on disposal of property, plant and equipment	1,687	(121)	–	1,566	–	1,566
Gain on disposal of investment properties	–	–	(3,628)	(3,628)	–	(3,628)
Loss arising from fair value changes of investment properties	–	–	620	620	–	620
Write off of trade receivables	5	107	–	112	–	112
Impairment loss recognised in respect of property, plant and equipment	2,663	14,000	–	16,663	–	16,663

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss or segment assets:

Gain arising from derivative financial instruments classified as held for trading	–	–	–	–	(2,039)	(2,039)
Loss arising from fair value change of financial asset at fair value through profit or loss	–	–	–	–	753	753
Interest income	(435)	(562)	–	(997)	–	(997)
Interest expenses	8,414	3,439	–	11,853	–	11,853
Income tax expenses	(5,473)	75	–	(5,398)	13	(5,385)

Note: Non-current assets excluded financial asset at fair value through profit or loss.

Geographical information

More than 90% of the sales of the Group's PVC pipes and fittings made to customers were in the People's Republic of China ("PRC"). The Group operates the sales of household products in three principal geographical areas – United States of America, Asia and Europe. The following table provides an analysis of the Group's revenue from external customers by geographical location of customers:

	Revenue from external customers	
	2009	2008
	HK\$'000	HK\$'000
United States of America	345,195	403,130
Asia	8,538	31,845
Europe	14,675	17,054
Other areas	21,497	19,097
	<hr/>	<hr/>
Total sales of household products	389,905	471,126
	<hr/> <hr/>	<hr/> <hr/>

More than 90% of the Group's non-current assets, excluding financial asset at fair value through profit or loss are located in the PRC. Accordingly, no non-current assets by geographical location is presented.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2009	2008
	HK\$'000	HK\$'000
Customer A ¹	– ²	129,381

¹ Revenue from the manufacture and distribution of household products.

² The corresponding revenue does not contribute over 10% of the total sales of the Group in the respective year.

4. FINANCE COSTS

	2009	2008
	HK\$'000	HK\$'000
Interest on bank borrowings:		
– wholly repayable within five years	8,063	10,223
– not wholly repayable within five years	190	1,630
	<hr/>	<hr/>
	8,253	11,853
	<hr/> <hr/>	<hr/> <hr/>

5. TAXATION

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Hong Kong Profits Tax		
– charge for the year	(148)	(1,195)
– (under)overprovision in prior years	(1,344)	31
	<u>(1,492)</u>	<u>(1,164)</u>
Income tax in other regions in the PRC		
– charge for the year	(7,220)	–
– overprovision in prior year	–	523
	<u>(7,220)</u>	<u>523</u>
	<u>(8,712)</u>	<u>(641)</u>
Deferred taxation		
– credit for the year	2,836	6,020
– attributable to a change in tax rate	–	6
	<u>2,836</u>	<u>6,026</u>
Tax (charge) credit	<u>(5,876)</u>	<u>5,385</u>

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 which reduced corporate profits tax rate from 17.5% to 16.5% effective from the year of assessment 2008/2009. Therefore, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the relevant laws and regulations in the PRC, five (2008: five) of the Company’s PRC subsidiaries are exempted from PRC Enterprise Income Tax for two years commencing from their deemed first profit making year of operation in 2008, and thereafter, these PRC subsidiaries are entitled to a 50% relief on applicable domestic tax rate from PRC Enterprise Income Tax for the following three years up to 31 December 2012 under the EIT Law. For certain of the Company’s subsidiaries that have not yet entitled to tax exemption and reduction because no profit is generated since commencement of operation, under the application of the Guofa 2007 No. 39 promulgated by the State Council (“Guofa”), the deemed first profit making year would be in 2008 and therefore, the PRC Enterprise Income Tax rate on these Company’s subsidiaries would be 0% for two years from 2008.

Certain of the Company's subsidiaries were entitled to enjoy preferential PRC Enterprise Income Tax rate prior to 2008. Under the application of the Guofa as mentioned above, the PRC Enterprise Income Tax rate of those companies that enjoyed such tax benefits would be increased progressively to 25% in five years commencing from 1 January 2008. The applicable PRC Enterprise Income Tax rate for these subsidiaries is 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012.

The tax (charge) credit for the year can be reconciled to the profit (loss) before taxation in the consolidated statement of comprehensive income as follows:

	2009	2008
	HK\$'000	HK\$'000
Profit (loss) before taxation	35,281	(74,293)
Tax at the domestic income tax rate of 20% (2008: 18%)	(7,056)	13,373
Tax effect of expenses not deductible for tax purpose	(4,203)	(3,725)
Tax effect of income not taxable for tax purpose	693	2,551
(Under)overprovision in prior years	(1,344)	554
Tax effect of tax losses not recognised as deferred tax asset	(1,052)	(9,503)
Tax effect of change in tax rate for deferred taxation	–	6
Utilisation of tax losses previously not recognised as deferred tax asset	3,662	2,540
Effect of tax exemption granted to PRC subsidiaries	2,500	–
Income tax on concessionary rate	1,087	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	(163)	(411)
Tax (charge) credit for the year	(5,876)	5,385

The PRC Enterprise Income Tax rate of 20% (2008: 18%) is the transitional domestic tax rate in the jurisdiction where the operation of the Group is substantially based. The domestic tax rate will be increased progressively and unified at 25% by 2012.

6. PROFIT (LOSS) FOR THE YEAR

	2009 <i>HK\$'000</i>	2008 <i>HK\$'000</i>
Profit (loss) for the year has been arrived at after charging:		
Directors' emoluments	17,847	16,757
Other staff's retirement benefit scheme contributions	4,023	3,352
Other staff costs	94,688	96,320
	<hr/>	<hr/>
Total staff costs	116,558	116,429
	<hr/>	<hr/>
Allowance for bad and doubtful debts	15,389	3,288
Allowance for inventories obsolescence	1,887	5,300
Amortisation of intangible assets (included in cost of sales)	393	372
Amortisation of prepaid lease payments	3,469	3,829
Auditors' remuneration	2,292	2,220
Cost of inventories recognised as an expenses	763,952	926,379
Depreciation	50,822	53,353
Exchange loss (included in other gains and losses)	2,094	23,349
Loss on disposal of property, plant and equipment	884	1,566
Operating lease rentals in respect of rented premises	160	154
Shipping and handling expenses (included in selling and distribution costs)	12,096	11,246
and after crediting:		
Exchange gain (included in other gains and losses)	1,194	7,201
Gross rental income from investment properties	1,277	1,082
Less: Direct operating expenses that generated rental income	(119)	(55)
	<hr/>	<hr/>
	1,158	1,027
	<hr/>	<hr/>
Interest income	769	997
Reversal of allowance for inventories obsolescence (<i>note</i>)	1,584	1,063
Write off of other payables (included in other income)	2,210	-
	<hr/> <hr/>	<hr/> <hr/>

Note: Reversal of allowance for inventories obsolescence has been recognised in both years due to realisation and subsequent usage of the relevant inventories and such amount has been included in cost of sales in the consolidated statement of comprehensive income.

7. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to the owners of the Company is based on the following data:

	2009	2008
	HK\$'000	HK\$'000
Profit (loss) for the purpose of calculating basic earnings (loss) per share	29,405	(68,908)
	Number of shares	2009 & 2008
Number of shares for the purpose of calculating basic earnings (loss) per share		676,417,401

Diluted earnings (loss) per share is not presented as there were no potential ordinary shares in existence during both years.

8. TRADE AND OTHER RECEIVABLES

The following is an aging analysis of the Group's trade receivables presented based on the invoice date at the end of the reporting period:

	2009	2008
	HK\$'000	HK\$'000
0 – 30 days	78,447	73,878
31 – 60 days	42,634	46,004
61 – 90 days	16,109	25,768
91 – 180 days	23,547	23,599
Over 180 days	15,485	22,452
Net trade receivables	176,222	191,701
Other receivables	25,303	17,526
Total trade and other receivables	201,525	209,227

The Group allows an average credit periods of 180 days, depending on the product sold, to its trade customers. Trade and other receivables are unsecured and interest-free. Before accepting any new customer, the Group will internally assess the credit quality of the potential customer and defines appropriate credit limits by customer.

The Group's trade receivable which are denominated in currencies other than the functional currencies of the relevant group companies are set out below:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
United States dollars ("USD")	46,195	55,473

Included in the Group's trade receivable balances are debtors with carrying amount of HK\$55,113,000 (2008: HK\$58,912,000) which are past due at the reporting date for which the Group had not provided for impairment loss. The Group does not hold any collateral over these balances.

Aging of trade receivables based on the invoice date which are past due but not impaired

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
31 – 60 days	15,777	9,880
61 – 90 days	11,844	4,028
91 – 180 days	12,007	22,552
Over 180 days	15,485	22,452
	55,113	58,912

The Group's management closely monitors the credit quality of trade receivables and considers the trade receivables that are neither past due nor impaired to be of a good credit quality. Based on the payment pattern of the customers of the Group, trade receivables which are past due but not impaired are generally collectable. Allowance on doubtful debt recognised for 2008 and 2009 represent the allowance against the full amount of outstanding trade receivables which are either aged over one year because historical experience is such that receivables past due beyond one year are generally not recoverable, or individually impaired trade receivables of customers which has either been placed under liquidation or in severe financial difficulties.

Movement in the allowance for doubtful debts

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
1 January	18,922	27,213
Currency realignment	124	1,036
Impairment losses recognised on receivables	15,389	3,288
Amounts written off as uncollectible	–	(12,615)
31 December	34,435	18,922

The directors of the Company consider the carrying amount of trade and other receivables approximates its fair value.

9. TRADE AND OTHER PAYABLES

The following is an aged analysis of the Group's trade payables presented based on the invoice date at the end of the reporting period:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
0 – 30 days	54,230	36,675
31 – 60 days	23,451	22,445
61 – 90 days	13,449	15,537
Over 90 days	15,607	38,678
	<hr/>	<hr/>
Total trade payables	106,737	113,335
Other payables	74,157	82,813
	<hr/>	<hr/>
Total trade and other payables	180,894	196,148
	<hr/> <hr/>	<hr/> <hr/>

The following is an analysis of the Group's other payable at the end of the reporting period:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
Accrued expenses	11,904	10,711
Accrued sales discount	3,629	11,137
Receipt in advance	40,565	30,895
Wages payable	7,893	5,613
Payable on acquisition of property, plant and equipment	433	8,047
Payable on acquisition of land use rights	2,543	2,577
Others	7,190	13,833
	<hr/>	<hr/>
	74,157	82,813
	<hr/> <hr/>	<hr/> <hr/>

The average credit period on purchases of goods is 90 days.

Included in trade and other payables are the following amounts denominated in currencies other than the functional currencies of the relevant group companies:

	2009	2008
	<i>HK\$'000</i>	<i>HK\$'000</i>
USD	7,531	7,845
	<hr/> <hr/>	<hr/> <hr/>

The directors of the Company consider that the carrying amount of trade and other payables approximates its fair value.

FINAL DIVIDEND

The directors resolved not to recommend the payment of final dividend for the year ended 31 December 2009.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

The Group recorded a turnover of HK\$922,576,000 for the year ended 31 December 2009, representing a decrease of 7.7% as compared to the same period last year.

Gross profit and gross profit margin of the Group recorded were HK\$158,321,000 and 17.2%, representing an increase of HK\$89,768,000 and an increase of 131% respectively as compared to the same period last year.

Profit for the year was HK\$29,405,000, as compared to a loss of HK\$68,908,000 for the same period last year.

Basic earnings per share was 4.3 HK cents, as compared to loss per share of 10.2 HK cents for the same period last year.

The Board of Directors do not propose any payment of dividend for the year.

BUSINESS REVIEW

For the year ended 31 December 2009, the Group recorded a consolidated turnover of HK\$922,576,000 representing a decrease of 7.7% from HK\$999,169,000 last year. Gross profit and gross profit margin were HK\$158,321,000 and 17.2% respectively. Profit for the year was HK\$29,405,000.

The global economy has experienced an unfavorable environment in recent years. In 2009, China had adopted certain moderate monetary policy and active fiscal policy to stimulate the economy and its economy had rebounded first. Governments of various countries have also implemented certain economic policies to boost economic growth. As a result the global economy began to stabilize and gradually recovered and the Group also benefited by such economic environment.

Despite the unfavourable international economic environment, the household products industry also benefited from stable prices of raw materials this year and the gross profit margin increased and the result is turning from loss to profit.

The business of PVC pipes and fitting in Shenzhen and Changshu have a steady growth and generated a favourable return to the Group as it also benefited from the improved economy in the PRC and the Company's solid relationship with its customers.

During the year under review, the turnover of property investment amounted to HK\$1,277,000, representing a increase of 18% from HK\$1,082,000 of the same period last year. Gain arising from fair value changes of investment properties was HK\$2,620,000.

PROSPECTS

The Group will continue to closely monitor the fluctuation of the prices of plastic raw materials and adopt its flexible purchasing strategy. It is hoped that the Group can tackle the prices fluctuation risk and securing the Group's profit.

Despite unforeseen global business situation, trading environment is improving gradually. The Group will keep abreast of the times and take aggressive attitude to consolidate management and enhance factories' productivity and we look to the future with confidence.

Technologies and developments in some reborn resources projects have significant progress and 2 technologies have successfully been granted patents in the PRC. We will apply patents for other technologies achieved in the future. Next year, the Group plans to focus its investments in those matured reborn resources projects and it is expected that the increased production will generate contribution to the Group. The Group will also focus its research and development in environmental protection projects which are considered to be profitable. The Group will also thoughtfully study the feasibility of developing environment protection business in Hong Kong.

LIQUIDITY, FINANCIAL RESOURCES AND FUNDING

The Group finances its operations from internally generated cash flows, term loans and trade finance facilities provided by banks in Hong Kong and the PRC. At 31 December 2009, the Group had bank balances and cash and pledged bank deposits of approximately HK\$113,991,000 (31.12.2008: HK\$69,863,000) and had interest-bearing bank borrowings of approximately HK\$205,613,000 (31.12.2008: HK\$198,313,000). The Group's interest-bearing bank borrowings was mainly computed at Hong Kong Inter-Bank Offering Rate plus a margin. The Group's total banking facilities available as at 31 December 2009 amounted to HK\$441,393,000; of which HK\$205,613,000 of the banking facilities was utilised (utilisation rate was at 46.6%).

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 31 December 2009, the Group had current assets of approximately HK\$515,240,000 (31.12.2008: HK\$454,000,000). The Group's current ratio was approximately 1.3 as at 31 December 2009 as compared with approximately 1.1 as at 31 December 2008. Total shareholders' funds of the Group as at 31 December 2009 increase by 4.1% to HK\$889,486,000 (31.12.2008: HK\$853,963,000). The gearing ratio (measured as total liabilities / total shareholders' funds) of the Group as at 31 December 2009 was 0.49 (31.12.2008: 0.51).

CHARGES ON ASSETS

Certain leasehold land and buildings, investment properties, prepaid lease payments, bank deposits and financial asset at fair value through profit or loss with an aggregate net book value of HK\$297,446,000 were pledged to banks for general banking facilities granted to the Group.

STAFF AND EMPLOYMENT

At 31 December 2009, the Group employed a total workforce of about 2,952 (31.12.2008: 3,110) including 2,902 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK\$98,711,000 (31.12.2008: HK\$99,672,000). It is the Group's policy to review its employee's 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 program was also provided to staff in our PRC factories.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 December 2009, there were no purchases, sales or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 June 2010 to 9 June 2010 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 forthcoming annual general meeting of the Company on 9 June 2010, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, at Tricor Secretaries Limited of 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on 3 June 2010.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in Appendix 10 of the Listing Rules (the “Model Code”). Having made specific enquiry of all the directors, all the directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding securities transactions by directors adopted by the Company.

PUBLICATION OF ANNUAL REPORT

The 2009 Annual Report of the Company containing all the information as required by Appendix 16 of the Listing Rules will be published on the Company’s website at www.worldhse.com and the website of Hong Kong Exchange and Clearing Limited, while printed copies will be sent to shareholders of the Company as soon as practicable.

By Order of the Board
Lee Tat Hing
Chairman

Hong Kong, 20 April 2010

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