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

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

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010 together with the comparative figures for the last corresponding year:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2010

	Notes	**2010** *HK$'000*	2009 *HK$'000*
Turnover	3	**1,010,712**	922,576
Cost of sales		**(892,053)**	(764,255)
Gross profit		**118,659**	158,321
Other income		**5,446**	8,019
Other gains and losses	4	**(4,576)**	(1,940)
Selling and distribution costs		**(12,820)**	(14,186)
Administrative expenses		**(90,284)**	(91,291)
Impairment losses recognised on trade and other receivables		**(1,565)**	(15,389)
Finance costs	5	**(8,371)**	(8,253)
Profit before taxation		**6,489**	35,281
Taxation	6	**(3,845)**	(5,876)
Profit for the year, attributable to owners of the Company	7	**2,644**	29,405
Other comprehensive income			
Exchange differences arising from translation of foreign operations		**38,026**	6,118
Total comprehensive income for the year, attributable to owners of the Company		**40,670**	35,523
Earnings per share – basic	8	**0.4 HK cent**	4.3 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2010

	Notes	**31.12.2010**	31.12.2009	1.1.2009
		HK$'000	*HK$'000*	*HK$'000*
			(Restated)	(Restated)
Non-current assets				
Investment properties		**21,720**	19,170	16,550
Property, plant and equipment		**683,305**	680,847	707,623
Prepaid lease payments		**85,130**	97,734	99,707
Deposits paid for acquisition of property, plant and equipment		**150**	1,221	2,622
Intangible assets		**2,177**	2,496	2,869
Financial asset at fair value through profit or loss		**–**	6,859	6,267
		792,482	808,327	835,638
Current assets				
Inventories		**223,174**	192,776	167,419
Trade and other receivables	9	**225,093**	201,525	209,227
Prepaid lease payments		**2,367**	2,594	2,578
Taxation recoverable		**72**	3,478	4,037
Derivative financial instrument		**403**	–	–
Financial assets at fair value through profit or loss		**11,780**	–	–
Pledged bank deposits		**35,328**	46,595	22,946
Bank balances and cash		**71,238**	67,396	46,917
		569,455	514,364	453,124
Non-current asset classified as held for sale		**13,388**	–	–
		582,843	514,364	453,124

	Notes	31.12.2010 *HK$'000*	31.12.2009 *HK$'000* (Restated)	1.1.2009 *HK$'000* (Restated)
Current liabilities				
Trade and other payables	10	**213,901**	180,894	196,148
Amounts due to directors		**27,174**	30,125	27,798
Taxation payable		**5,066**	8,097	1,301
Bank borrowings – amount due within one year		**180,025**	188,341	198,222
		426,166	407,457	423,469
Net current assets		**156,677**	106,907	29,655
Total assets less current liabilities		**949,159**	915,234	865,293
Non-current liabilities				
Bank borrowings – amount due after one year		**11,176**	17,272	91
Deferred taxation liabilities		**7,647**	8,476	11,239
Derivative financial instrument		**180**	–	–
		19,003	25,748	11,330
		930,156	889,486	853,963
Capital and reserves				
Share capital		**67,642**	67,642	67,642
Reserves		**862,514**	821,844	786,321
		930,156	889,486	853,963

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2010

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 disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

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

HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (as revised in 2008)	Business combinations
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 39 (Amendments)	Eligible hedged items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC*) – INT 17	Distributions of non-cash assets to owners
HK – INT 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

* *IFRIC represents the IFRS Interpretations Committee.*

Except as described below, the adoption of the new and revised HKFRSs in the current year has had no material effect on the consolidated financial statements and/or disclosures set out in these consolidated financial statements.

Amendments to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on the information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payment to property, plant and equipment retrospectively. This resulted in prepaid lease payments with the carrying amounts of HK$33,507,000 and HK$32,631,000 as at 1 January 2009 and 31 December 2009 respectively being reclassified to property, plant and equipment.

As at 31 December 2010, leasehold land that qualifies for finance lease classification with the carrying amount of HK$31,755,000 has been included in property, plant and equipment. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior years.

Hong Kong Interpretation 5 "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause"

Hong Kong Interpretation 5 "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause" ("HK INT 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ("repayment on demand clause") should be classified by the borrower as current liabilities. The Group has applied HK INT 5 for the first time in the current year. Hong Kong Interpretation 5 requires retrospective application.

In order to comply with the requirements set out in HK INT 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK INT 5, term loans with a repayment on demand clause are classified as current liabilities.

As a result, bank loans that contain a repayment on demand clause with the aggregate carrying amounts of HK$17,327,000 and HK$21,741,000 have been reclassified from non-current liabilities to current liabilities as at 31 December 2009 and 1 January 2009, respectively. As at 31 December 2010, bank loans (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) with the aggregate carrying amount of HK$11,875,000 have been classified as current liabilities. The application of HK INT 5 has had no impact on the reported profit or loss for the current and prior years.

Such term loans have been presented in the earliest time band in the maturity analysis for financial liabilities.

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

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010[1]
HKFRS 1 (Amendments)	Limited exemptions from comparative HKFRS 7 disclosures for first-time adopters[2]
HKFRS 1 (Amendments)	Severe hyperinflation and removal of fixed dates for first-time adopters[3]
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets[3]
HKFRS 9	Financial instruments[4]
HKAS 12(Amendments)	Deferred tax: Recovery of underlying assets[5]
HKAS 24 (as revised in 2009)	Related party disclosures[6]
HKAS 32 (Amendments)	Classification of rights issues[7]
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments[2]

1 Effective for annual periods beginning on or after 1 July 2010 or 1 January 2011, as appropriate.
2 Effective for annual periods beginning on or after 1 July 2010.
3 Effective for annual periods beginning on or after 1 July 2011.
4 Effective for annual periods beginning on or after 1 January 2013.
5 Effective for annual periods beginning on or after 1 January 2012.
6 Effective for annual periods beginning on or after 1 January 2011.
7 Effective for annual periods beginning on or after 1 February 2010.

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 31 December 2013 and that the application of the new Standard may have a impact on amounts reported in respect of the Groups' financial assets.

The amendments to HKAS 12 titled "Deferred tax: Recovery of underlying assets" mainly deal with the measurement of deferred tax for investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property". Based on the amendments, for the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties measured using the fair value model, the carrying amounts of the investment properties are presumed to be recovered through sale, unless the presumption is rebutted in certain circumstances. The directors anticipate that the application of the amendments to HKAS 12 will not have a significant impact on deferred tax recognised for investment properties that are measured using the fair value model.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on types of goods delivered. This is also the basis upon which the Group is arranged and organised.

Specifically, 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
Others	–	investment in properties

Segment turnover and results

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

For the year ended 31 December 2010

	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	**409,665**	**600,006**	**–**	**–**	**1,009,671**
Inter-segment sales	**681**	**179**	**–**	**(860)**	**–**
Rental income	**–**	**–**	**1,041**	**–**	**1,041**
Total	**410,346**	**600,185**	**1,041**	**(860)**	**1,010,712**
Segment (loss) profit	**(3,933)**	**34,509**	**3,471**	**–**	**34,047**
Gain arising from changes in fair value of derivative financial instruments					**1,308**
Gain arising from changes in fair value of financial assets at fair value through profit or loss					**97**
Interest income					**897**
Unallocated corporate expenses					**(21,489)**
Finance costs					**(8,371)**
Profit before taxation					**6,489**

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

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
Total	390,795	532,744	1,277	(2,240)	922,576
Segment profit	24,418	36,834	3,778	–	65,030
Gain arising from change in fair value of financial asset at fair value through profit or loss					592
Interest income					769
Unallocated corporate expenses					(22,857)
Finance costs					(8,253)
Profit before taxation					35,281

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

Segment profit represents the profit earned by each segment without allocation of central administration costs, interest income, gain arising from changes in fair value of derivative financial instruments, gain arising from changes in fair value of financial assets 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 resource allocation and performance assessment.

Segment assets and liabilities

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

At 31 December 2010

	Household products *HK$'000*	**PVC pipes and fittings** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
Assets				
Segment assets	**480,235**	**675,853**	**21,720**	**1,177,808**
Unallocated assets				**197,517**
Consolidated total assets				**1,375,325**
Liabilities				
Segment liabilities	**81,709**	**129,734**	**–**	**211,443**
Unallocated liabilities				**233,726**
Consolidated total liabilities				**445,169**

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				1,322,691
Liabilities				
Segment liabilities	59,163	117,945	–	177,108
Unallocated liabilities				256,097
Consolidated total liabilities				433,205

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

– all assets are allocated to reportable segments other than financial assets at fair value through profit or loss, derivative financial instruments, 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 reportable segments other than amounts due to directors, taxation payable, derivative financial instruments, bank borrowings, deferred taxation liabilities, bonus payable and accruals of administrative expenses in head office.

Other segment information

For the year ended 31 December 2010

	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:						
Addition to non-current assets	16,505	19,721	–	36,226	–	36,226
Depreciation	22,205	28,731	–	50,936	1,939	52,875
Amortisation of intangible assets	401	–	–	401	–	401
Amortisation of prepaid lease payments	1,339	1,300	–	2,639	–	2,639
Impairment loss reversed on trade receivables	(269)	(91)	–	(360)	–	(360)
Impairment loss recognised on other receivables	1,803	122	–	1,925	–	1,925
Reversal of inventories obsolescence	(3,304)	(742)	–	(4,046)	–	(4,046)
Net foreign exchange loss (gain)	8,165	(85)	–	8,080	–	(8,080)
Loss (gain) on disposal of property, plant and equipment	463	(158)	–	305	–	305
Gain arising from changes in fair value of investment properties	–	–	(2,550)	(2,550)	–	(2,550)
Write off of other receivables	146	–	–	146	–	146

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

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Interest income	(63)	(834)	–	(897)	–	(897)
Interest expenses	5,500	2,871	–	8,371	–	8,371
Income tax expenses	(340)	4,185	–	3,845	–	3,845

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:						
Addition to non-current assets *(note)*	16,056	13,839	–	29,895	814	30,709
Depreciation	24,387	25,372	–	49,759	1,939	51,698
Amortisation of intangible assets	393	–	–	393	–	393
Amortisation of prepaid lease payments	1,714	879	–	2,593	–	2,593
Allowance for bad and doubtful debts on trade receivables	4	15,385	–	15,389	–	15,389
Allowance for inventories obsolescence	1,023	864	–	1,887	–	1,887
Reversal of allowance for inventories obsolescence	(1,155)	(429)	–	(1,584)	–	(1,584)
Net foreign exchange loss (gain)	1,177	(277)	–	900	–	900
Loss (gain) on disposal of property, plant and equipment	1,090	(206)	–	884	–	884
Gain arising from changes in fair value 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:

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
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.

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 (the "PRC"). The Group's operations of household products are principally located in United States of America, Asia and Europe.

The Group's revenue from household products from external customers by geographical location of the customers are detailed below:

	Revenue from external customers	
	2010	2009
	HK$'000	*HK$'000*
United States of America	**360,532**	345,195
Asia	**9,306**	8,538
Europe	**11,447**	14,675
Other areas	**28,380**	21,497
Total sales of household products	**409,665**	389,905

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

No revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is noted for both years.

4. OTHER GAINS AND LOSSSES

	2010	2009
	HK$'000	*HK$'000*
Gain arising from changes in fair value of investment properties	**2,550**	2,620
Gain arising from changes in fair value of derivative financial instruments	**1,308**	–
Gain arising from changes in fair value of financial assets at fair value through profit or loss	**97**	592
Impairment loss recognised in respect of property, plant and equipment	**–**	(1,841)
Loss on disposal of property, plant and equipment	**(305)**	(884)
Net foreign exchange loss	**(8,080)**	(900)
Write off of other receivables	**(146)**	(1,527)
	(4,576)	(1,940)

5. FINANCE COSTS

	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings:		
– wholly repayable within five years	**8,371**	8,253

6. TAXATION

	2010	2009
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– charge for the year	**(135)**	(148)
– underprovision in prior years	**(700)**	(1,344)
	(835)	(1,492)
Income tax in other regions in the PRC		
– charge for the year	**(6,138)**	(7,220)
– overprovision in prior years	**2,040**	–
	(4,098)	(7,220)
	(4,933)	(8,712)
Deferred tax *(note 27)*		
– credit for the year	**1,088**	2,836
Tax charge	**(3,845)**	(5,876)

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, four (2009: five) of the Company's PRC subsidiaries are entitled to a 50% relief on applicable domestic tax rate from PRC Enterprise Income Tax for current year 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 12.5% for three years from 2010.

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 for the year can be reconciled to the profit before taxation in the consolidated statement of comprehensive income as follows:

	2010	2009
	HK$'000	*HK$'000*
Profit before taxation	**6,489**	35,281
Tax at the domestic income tax rate of 22% (2009: 20%)	**(1,428)**	(7,056)
Tax effect of expenses not deductible for tax purpose	**(3,832)**	(4,203)
Tax effect of income not taxable for tax purpose	**952**	693
Over(under)provision in prior years	**1,340**	(1,344)
Tax effect of tax losses not recognised as deferred tax asset	**(1,309)**	(1,052)
Utilisation of tax losses previously not recognised as deferred tax asset	**190**	3,662
Effect of tax exemption granted to PRC subsidiaries	**–**	2,500
Income tax on concessionary rate	**385**	1,087
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(143)**	(163)
Tax charge for the year	**(3,845)**	(5,876)

The PRC Enterprise Income Tax rate of 22% (2009: 20%) 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.

7. PROFIT FOR THE YEAR

	2010	2009
	HK$'000	*HK$'000*
Profit for the year has been arrived at after charging:		
Directors' emoluments	**16,280**	17,847
Other staff's retirement benefit scheme contributions	**4,641**	4,023
Other staff's salaries and wages	**108,267**	94,688
Total staff costs	**129,188**	116,558
Impairment loss recognised on trade receivables	**–**	15,389
Impairment loss recognised on other receivables	**1,925**	–
Allowance for inventories obsolescence	**–**	1,887
Amortisation of intangible assets (included in cost of sales)	**401**	393
Amortisation of prepaid lease payments	**2,639**	2,593
Auditors' remuneration	**2,362**	2,292
Cost of inventories recognised as an expense	**896,099**	763,952
Depreciation of property, plant and equipment	**52,875**	51,698
Foreign exchange loss (included in other gains and losses)	**11,104**	2,094
Loss on disposal of property, plant and equipment	**305**	884
Operating lease rentals in respect of rented premises	**100**	160
Shipping and handling expenses (included in selling and distribution costs)	**10,007**	12,096
and after crediting:		
Foreign exchange gain (included in other gains and losses)	**3,024**	1,194
Gross rental income from investment properties	**1,041**	1,277
Less: Direct operating expenses that generated rental income	**(120)**	(119)
	921	1,158
Impairment loss reversed on trade receivable	**360**	–
Interest income	**897**	769
Reversal of allowance for inventories obsolescence *(note)*	**4,046**	1,584
Write off of other payables (included in other income)	**–**	2,210

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.

8. EARNINGS PER SHARE

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

	2010	2009
	HK$'000	*HK$'000*
Profit for the purpose of calculating basic earnings per share (profit for the year attributable to owners of the Company)	**2,644**	29,405

	Number of shares 2010& 2009
Number of shares for the purpose of calculating basic earnings per share	676,417,401

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

9. 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:

	31.12.2010	31.12.2009	1.1.2009
	HK$'000	*HK$'000*	*HK$'000*
0 – 30 days	**88,973**	78,447	73,878
31 – 60 days	**53,613**	42,634	46,004
61 – 90 days	**22,314**	16,109	25,768
91 – 180 days	**17,889**	23,547	23,599
Over 180 days	**6,416**	15,485	22,452
Net trade receivables	**189,205**	176,222	191,701
Other receivables	**35,888**	25,303	17,526
Total trade and other receivables	**225,093**	201,525	209,227

The Group allows an average credit periods of 180 days, depending on the products 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 receivables which are denominated in currencies other than the functional currencies of the relevant group companies are set out below:

	2010	2009
	HK$'000	*HK$'000*
USD	**53,778**	46,195

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of HK$44,142,000 (2009:HK$55,113,000) 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

	2010	2009
	HK$'000	*HK$'000*
31 – 60 days	**9,228**	15,777
61 – 90 days	**15,019**	11,844
91 – 180 days	**13,479**	12,007
Over 180 days	**6,416**	15,485
	44,142	55,113

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 with satisfactory settlement history. 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 debts recognised for 2009 and 2010 represent the allowance against the full amount of outstanding trade receivables which are either aged over one year because historical experience is that such 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

	2010	2009
	HK$'000	*HK$'000*
1 January	**34,435**	18,922
Currency realignment	**1,131**	124
Impairment losses (reversed) recognised on receivables	**(360)**	15,389
31 December	**35,206**	34,435

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

10. 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:

	31.12.2010	31.12.2009	1.1.2009
	HK$'000	*HK$'000*	*HK$'000*
0 – 30 days	**54,705**	54,230	36,675
31 – 60 days	**41,773**	23,451	22,445
61 – 90 days	**10,161**	13,449	15,537
Over 90 days	**19,976**	15,607	38,678
Total trade payables	**126,615**	106,737	113,335
Other payables	**87,286**	74,157	82,813
Total trade and other payables	**213,901**	180,894	196,148

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

	31.12.2010	31.12.2009	1.1.2009
	HK$'000	*HK$'000*	*HK$'000*
Accured expenses	**11,874**	11,904	10,711
Accured sales discount	**9,932**	3,629	11,137
Receipt in advance	**47,804**	40,565	30,895
Wages payable	**9,440**	7,893	5,613
Payable on acquisition of property, plant and equipment	**517**	433	8,047
Payable on acquisition of land use rights	**2,633**	2,543	2,577
Others	**5,086**	7,190	13,833
	87,286	74,157	82,813

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:

	2010	2009
	HK$'000	*HK$'000*
USD	**31,316**	7,531

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

FINAL DIVIDEND

The Board of Directors recommends the payment of a final dividend of HK0.5 cent per share for the year ended 31 December 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

- The Group recorded a turnover of HK$1,010,712,000 for the year ended 31 December 2010, representing an increase of 9.6% as compared to the same period last year.

- Gross profit and gross profit margin of the Group recorded were HK$118,659,000 and 11.7%, representing a decrease of HK$39,662,000 and a decrease of 5.5% respectively as compared to the same period last year.

- Profit for the year was HK$2,644,000, as compared to a profit of HK$29,405,000 for the same period last year.

- Basic earnings per share was HK0.4 cent, as compared to profit per share of HK4.3 cents for the same period last year.

- The Board of Directors recommends the payment of a final dividend of HK0.5 cent per share for the year.

BUSINESS REVIEW

For the year ended 31 December 2010, the Group recorded a consolidated turnover of HK$1,010,712,000, representing an increase of 9.6% from HK$922,576,000 last year. Gross profit and gross profit margin were HK$118,659,000 and 11.7% respectively. Profit for the year was HK$2,644,000.

The business of PVC pipes and fitting was steady in 2010. As the sales market of the finished products was mainly in the PRC in which the sale price of the finished products could be reasonably increased due to the corresponding increase of the market price of other consumer products in the PRC, it did set off the pressure of the rising production cost caused by the inflation in the PRC and the business did bring profit to the Group.

The business of household products was still challenging in 2010. Like most of the other products manufacturers in China, the inflation in the PRC had caused the increase of the production cost in particular there was a sharp increase in the price of raw materials and labour cost. In addition, as the market of the finished products was mainly in the United States of America and the exchange rate of Renminbi to US Dollar had appreciated continuously, it caused the decrease of the gross profit of household products which rendered severe pressure to the business.

During the year under review, the turnover of property investment amounted to HK$1,041,000 representing a decrease of 18.5% from HK$1,277,000 of the same period last year. Gain arising from fair value changes of investment properties was HK$2,550,000.

PROSPECTS

The Group is still optimistic to the future. Facing the ever changing business environment, the Group will continue to make periodical review, better its business strategy, strengthen its human resources management and fully utilize the available resources. It is hoped that the business will be improving steadily.

For the announcement made on 27 October 2010 and 14 February 2011 respectively regarding the industrial land of 69,000 square meters owned by the Group's subsidiary in Ping Shan, Shenzhen which is currently used for the production of household products, as it is in the distance of about 2,500 – 3,000 meters from the developing Xiamen-Shenzhen high-speed Railway East Station and falls within the criteria for urban redevelopment of the land from industrial into commercial and residential purposes, the Group has entered into a framework agreement with a renowned PRC land development company to examine the feasibility of applying to relevant government departments for the land use change from industrial purposes to business and residential purposes. It is expected that once the approval is granted by the relevant government departments it will be redeveloped into commercial, residential and communal complex and both parties will discuss about the sharing of their respective rights and interests of the project.

For the environmental recycling and reborn resources business, the Group had obtained certain technology and invention patents granted by the PRC and considered how to utilise the patent skills to maximize the cost benefit and also continue to explore new environmental projects and speed up the development of environmental business and it is hoped to generate return for the Group.

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 2010, the Group had bank balances and cash and pledged bank deposits of approximately HK$106,566,000 (31.12.2009: HK$113,991,000) and had interest-bearing bank borrowings of approximately HK$191,201,000 (31.12.2009: HK$205,613,000). 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 2010 amounted to HK$440,178,000; of which HK$191,201,000 of the banking facilities was utilised (utilisation rate was at 43.4%).

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 2010, the Group had current assets of approximately HK$569,455,000 (31.12.2009: HK$514,364,000). The Group's current ratio was approximately 1.3 as at 31 December 2010 as compared with approximately 1.3 as at 31 December 2009. Total shareholders' funds of the Group as at 31 December 2010 increase by 4.6% to HK$930,156,000 (31.12.2009: HK$889,486,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 31 December 2010 was 0.48 (31.12.2009: 0.49).

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$272,748,000 were pledged to banks for general banking facilities granted to the Group.

STAFF AND EMPLOYMENT

At 31 December 2010, the Group employed a total workforce of about 2,791 (31.12.2009: 2,952) including 2,745 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK$112,908,000 (31.12.2009: HK$98,711,000). 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 2010, 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 3 June 2011 to 10 June 2011 both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend and to attend and vote at the forthcoming annual general meeting of the Company on 10 June 2011, 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 4:30 p.m. on 2 June 2011.

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 2010.

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 2010.

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 2010 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, 23 March 2011

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