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 2011

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 2011 together with the comparative figures for the last corresponding year:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2011

	Notes	**2011**	2010
		HK$'000	*HK$'000*
Turnover	3	**1,129,055**	1,010,712
Cost of sales		**(1,029,473)**	(892,053)
Gross profit		**99,582**	118,659
Other income		**8,347**	5,446
Other gains and losses	4	**3,253**	(4,576)
Selling and distribution costs		**(16,013)**	(12,820)
Administrative expenses		**(105,651)**	(90,284)
Impairment losses recognised on trade and other receivables		**(17,168)**	(1,565)
Finance costs	5	**(8,973)**	(8,371)
(Loss) profit before taxation		**(36,623)**	6,489
Taxation	6	**70**	(3,845)
(Loss) profit for the year	7	**(36,553)**	2,644
Other comprehensive income		**54,965**	38,026
Total comprehensive income for the year		**18,412**	40,670

	Notes	**2011**	2010
		HK$'000	*HK$'000*
(Loss) profit for the year attributable to:			
Owners of the Company		**(34,785)**	2,644
Non-controlling interests		**(1,768)**	–
		(36,553)	2,644
Total comprehensive income for the year attributable to:			
Owners of the Company		**20,151**	40,670
Non-controlling interests		**(1,739)**	–
		18,412	40,670
(Loss) earnings per share			
Basic	8	**(5.1) HK cents**	0.4 HK cent
Diluted	8	**(5.1) HK cents**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
Non-current assets			
Investment properties		**24,090**	21,720
Property, plant and equipment		**674,474**	683,305
Prepaid lease payments		**86,458**	85,130
Deposits paid for acquisition of property, plant and equipment		**1,169**	150
Intangible assets		**1,858**	2,177
		788,049	792,482
Current assets			
Inventories		**232,958**	223,174
Trade and other receivables	9	**296,756**	227,460
Taxation recoverable		**4**	72
Derivative financial instrument		**–**	403
Financial assets at fair value through profit or loss		**–**	11,780
Pledged bank deposits		**32,266**	35,328
Bank balances and cash		**72,554**	71,238
		634,538	569,455
Non-current asset classified as held for sale		**–**	13,388
		634,538	582,843
Current liabilities			
Trade and other payables	10	**245,181**	213,901
Amounts due to directors		**23,445**	27,174
Taxation payable		**2,066**	5,066
Bank borrowings – amount due within one year		**187,851**	180,025
Derivative financial instrument		**3,009**	–
		461,552	426,166
Net current assets		**172,986**	156,677
Total assets less current liabilities		**961,035**	949,159

	Notes	**2011** *HK$'000*	2010 *HK$'000*
Non-current liabilities			
Bank borrowings – amount due after one year		**–**	11,176
Deferred taxation liabilities		**6,103**	7,647
Derivative financial instrument		**–**	180
		6,103	19,003
		954,932	930,156
Capital and reserves			
Share capital		**67,642**	67,642
Reserves		**884,152**	862,514
Equity attributable to owners of the Company		**951,794**	930,156
Non-controlling interests		**3,138**	–
		954,932	930,156

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

1. BASIC 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 HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related party disclosures
Amendments to HKAS 32	Classification of rights issues
Amendments to HK(IFRIC*) – INT 14	Prepayments of a minimum funding requirement
HK(IFRIC*) – INT 19	Extinguishing financial liabilities with equity instruments

* *IFRIC represents the IFRS Interpretations Committee.*

The adoption of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

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

Amendments to HKFRS 7	Disclosures – Transfers of financial assets[1]
	Disclosures – Offsetting financial assets and financial liabilities[2]
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosures[3]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[5]
Amendments to HKAS 12	Deferred tax – Recovery of underlying assets[4]
HKAS 19 (as revised in 2011)	Employee benefits[2]
HKAS 27 (as revised in 2011)	Separate financial statements[2]
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[6]
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine[2]

[1] Effective for annual periods beginning on or after 1 July 2011.
[2] Effective for annual periods beginning on or after 1 January 2013.
[3] Effective for annual periods beginning on or after 1 January 2015.
[4] Effective for annual periods beginning on or after 1 January 2012.
[5] Effective for annual periods beginning on or after 1 July 2012.
[6] Effective for annual periods beginning on or after 1 January 2014.

HKFRS 9 Financial instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: recognition and measurement" to be subsequently measured at 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 reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. 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 recognition 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.

Based on the consolidated statement of financial position of the Group as at 31 December 2011, the directors anticipate that the adoption of HKFRS 9 is not expected to have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard may affect the amounts reported in the consolidated financial statements and result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of other comprehensive income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKAS 12 Deferred tax – Recovery of underlying assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the application of the amendments to HKAS 12 in future accounting periods may result in adjustments to the amounts of deferred tax liabilities recognised in prior years regarding the Group's investment properties of which the carrying amounts are presumed to be recovered through sale. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the impact.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes 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 reportable and operating 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 and operating segments.

For the year ended 31 December 2011

	Household products	PVC pipes and fittings	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover					
Sales of goods					
External sales	**496,404**	**631,617**	**–**	**–**	**1,128,021**
Inter-segment sales	**1,315**	**416**	**–**	**(1,731)**	**–**
Rental income	**–**	**–**	**1,034**	**–**	**1,034**
Total	**497,719**	**632,033**	**1,034**	**(1,731)**	**1,129,055**
Segment (loss) profit	**(4,335)**	**1,678**	**3,322**	**–**	**665**
Loss arising from changes in fair value of derivative financial instruments					**(1,803)**
Gain arising from changes in fair value of financial assets at fair value through profit or loss					**173**
Interest income					**606**
Unallocated corporate expenses					**(27,291)**
Finance costs					**(8,973)**
Loss before taxation					**(36,623)**

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

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.

Segment (loss) profit represents the (loss) profit suffered/earned by each segment without allocation of central administration costs, (loss) 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, interest income and finance costs. This is the measure reported to the chief operating decision makers 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 2011

	Household products *HK$'000*	**PVC pipes and fittings** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
Assets				
Segment assets	**518,864**	**693,419**	**24,090**	**1,236,373**
Unallocated assets				**186,214**
Consolidated total assets				**1,422,587**
Liabilities				
Segment liabilities	**123,434**	**119,164**	**–**	**242,598**
Unallocated liabilities				**225,057**
Consolidated total liabilities				**467,655**

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

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

– all assets are allocated to operating segments other than financial assets at fair value through profit or loss, derivative financial instruments, taxation recoverable, pledged bank deposits, bank balances and cash, loans to non-controlling shareholders of subsidiaries and leasehold buildings and prepaid lease payments provided to group directors as residential accommodation.

– all liabilities are allocated to operating 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 2011

	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	13,147	12,143	–	25,290	–	25,290
Depreciation	23,092	29,865	–	52,957	1,940	54,897
Amortisation of intangible assets	420	–	–	420	–	420
Amortisation of prepaid lease payments	1,072	1,362	–	2,434	–	2,434
Impairment loss (reversed) recognised on trade receivables	(889)	18,109	–	17,220	–	17,220
Impairment loss (reversed) recognised on other receivables	(198)	146	–	(52)	–	(52)
Reversal of inventories obsolescence	(4,668)	(145)	–	(4,813)	–	(4,813)
Net foreign exchange loss	11,252	900	–	12,152	–	12,152
Loss on disposal of property, plant and equipment	4,134	333	–	4,467	–	4,467
Gain arising from changes in fair value of investment properties	–	–	(2,370)	(2,370)	–	(2,370)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:						
Interest income	(160)	(229)	–	(389)	(217)	(606)
Interest expenses	5,362	3,611	–	8,973	–	8,973
Income tax (credit) expenses	(1,061)	991	–	(70)	–	(70)

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

Geographical information

More than 90% of the sales of the Group's PVC pipes and fittings made to customers were in 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	
	2011	2010
	HK$'000	*HK$'000*
United States of America	**446,416**	360,532
Asia	**18,553**	9,306
Europe	**2,658**	11,447
Other areas	**28,777**	28,380
Total sales of household products	**496,404**	409,665

More than 90% of the Group's non-current assets are located in the PRC. Accordingly, no non-current assets by geographical location is presented.

Information about major customers

During the year ended 31 December 2011, one customer in household products contributed HK$135,158,000, which is over 10% of the Group's revenue. The corresponding revenue from this customer did not contribute over 10% of the Group's revenue during the year ended 31 December 2010.

4. OTHER GAINS AND LOSSES

	2011	2010
	HK$'000	*HK$'000*
Gain arising from changes in fair value of investment properties	**2,370**	2,550
(Loss) gain arising from changes in fair value of derivative financial instruments	**(1,803)**	1,308
Gain arising from changes in fair value of financial assets at fair value through profit or loss	**173**	97
Loss on disposal of property, plant and equipment	**(4,467)**	(305)
Gain on disposal of non-current asset classified as held for sale	**19,132**	–
Net foreign exchange loss	**(12,152)**	(8,080)
Write off of other receivables	**–**	(146)
	3,253	(4,576)

5. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**8,973**	8,371

6. TAXATION

	2011	2010
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– charge for the year	**742**	135
– underprovision in prior years	**40**	700
	782	835
Income tax in other regions in the PRC		
– charge for the year	**2,341**	6,138
– overprovision in prior years	**(1,350)**	(2,040)
	991	4,098
	1,773	4,933
Deferred tax		
– credit for the year	**(1,843)**	(1,088)
Tax (credit) charge	**(70)**	3,845

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 (2010: four) 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.

7. (LOSS) PROFIT FOR THE YEAR

	2011	2010
	HK$'000	*HK$'000*
(Loss) profit for the year has been arrived at after charging:		
Directors' emoluments	**18,827**	16,280
Other staff's salaries and wages	**133,627**	108,267
Other staff's retirement benefit scheme contributions	**5,266**	4,641
Other staff's share-based payment	**2,288**	–
Total staff costs	**160,008**	129,188
Amortisation of intangible assets (included in cost of sales)	**420**	401
Amortisation of prepaid lease payments	**2,434**	2,639
Auditors' remuneration	**2,450**	2,362
Cost of inventories recognised as an expense	**1,034,286**	896,099
Depreciation of property, plant and equipment	**54,897**	52,875
Impairment loss recognised on trade receivables	**17,220**	–
Impairment loss recognised on other receivables	**–**	1,925
Net foreign exchange loss (included in other gains and losses)	**12,152**	8,080
Operating lease rentals in respect of rented premises	**469**	100
and after crediting:		
Gross rental income from investment properties	**1,034**	1,041
Less: Direct operating expenses that generated rental income	**(82)**	(120)
	952	921
Impairment loss reversed on other receivables	**52**	–
Impairment loss reversed on trade receivables	**–**	360
Government grants *(note a)*	**628**	465
Bank interest income	**389**	897
Interest income from loans to non-controlling shareholders of subsidiaries	**217**	–
Reversal of allowance for inventories obsolescence *(note b)*	**4,813**	4,046

Notes:

a. The amounts mainly represent the one-off incentives granted by the relevant PRC government authorities to the Group for recognition of establishment of the environmental reborn resources and recycling business in Zhongshan City and the establishment of environmental friendly manufacturing factories by making use of public electricity instead of self-generated electricity during the manufacturing process.

b. 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. (LOSS) EARNINGS PER SHARE

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

	2011	2010
	HK$'000	*HK$'000*
(Loss) earnings for the purposes of calculating basic and diluted (loss) earnings per share ((loss) profit for the year attributable to owners of the Company)	**(34,785)**	2,644

	2011	2010
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	**676,417,401**	676,417,401

The calculation of diluted loss per share for the year ended 31 December 2011 had not taken into consideration the assumed exercise of the Company's outstanding share options as it would reduce the loss per share.

Diluted earnings per share is not presented for the year ended 31 December 2010 as there were no potential ordinary shares in existence in that year.

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:

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**100,072**	88,973
31 – 60 days	**56,097**	53,613
61 – 90 days	**29,631**	22,314
91 – 180 days	**25,731**	17,889
Over 180 days	**18,743**	6,416
Net trade receivables	**230,274**	189,205
Other receivables	**37,879**	35,888
Prepayment in respect of the redevelopment project	**21,500**	–
Prepaid lease payments	**2,471**	2,367
Loans to non-controlling shareholders of subsidiaries	**4,632**	–
Total trade and other receivables	**296,756**	227,460

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 customers, the Group will internally assess the potential customers' credit quality and defines appropriate credit limits by customer. The management closely monitors the credit quality and follow-up action is taken if overdue debts are noted. Limits attributed to customers are reviewed every year. All of the trade receivables that are neither past due nor impaired are considered to be of good credit quality with satisfactory settlement history.

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

	2011	2010
	HK$'000	*HK$'000*
USD	**66,433**	53,778

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of HK$69,784,000 (2010:HK$44,142,000) which are past due at the reporting date for which the Group had not provided for impairment loss as these receivables are either subsequently settled or due from certain major customers with no history of default and have strong financial background and good creditability. 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

	2011	2010
	HK$'000	*HK$'000*
31 – 60 days	**4,104**	9,228
61 – 90 days	**22,858**	15,019
91 – 180 days	**24,079**	13,479
Over 180 days	**18,743**	6,416
	69,784	44,142

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 2010 and 2011 are based on estimated irrecoverable amounts by reference to financial background, creditability of individual customers, past default experience, subsequent settlement and payment history of the customers. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such receivables are generally not recoverable, or individual trade receivables which has either been placed under liquidation or in severe financial difficulties.

Movement in the allowance for doubtful debts

	2011	2010
	HK$'000	*HK$'000*
1 January	**35,206**	34,435
Currency realignment	**2,036**	1,131
Impairment losses recognised (reversed) on trade receivables	**17,220**	(360)
31 December	**54,462**	35,206

During the year ended 31 December 2011, the Group granted loans of RMB3,752,000 (equivalent to HK$4,632,000) to the non-controlling shareholders of subsidiaries to support their capital injection to the subsidiaries. The amounts are unsecured, interest bearing at prevailing market borrowing rates and repayable within one year. The amounts which are denominated in currencies other than the functional currencies of the relevant group companies are set out below:

	2011	2010
	HK$'000	*HK$'000*
Renminbi ("RMB")	**1,266**	–

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:

	2011	2010
	HK$'000	*HK$'000*
0 – 30 days	**42,688**	54,705
31 – 60 days	**35,550**	41,773
61 – 90 days	**14,447**	10,161
Over 90 days	**38,993**	19,976
Total trade payables	**131,678**	126,615
Other payables	**113,503**	87,286
Total trade and other payables	**245,181**	213,901

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

	2011	2010
	HK$'000	*HK$'000*
Accrued expenses	**8,419**	11,874
Receipt in advance	**38,500**	47,804
Deposit received on the redevelopment project	**37,037**	–
Wages and bonus payable	**12,662**	9,440
Payable on acquisition of property, plant and equipment	**662**	517
Payable on prepaid lease payments	**2,763**	2,633
Value-added tax payables	**2,172**	89
Property tax and other taxes payable	**3,123**	2,222
Others	**8,165**	12,707
	113,503	87,286

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:

	2011	2010
	HK$'000	*HK$'000*
USD	**27,882**	31,316

FINAL DIVIDEND

The directors resolved not to recommend the payment of final dividend for the year ended 31 December 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

- The Group recorded a turnover of HK$1,129,055,000 for the year ended 31 December 2011, representing an increase of 11.7% as compared to the same period last year.

- Gross profit and gross profit margin of the Group recorded were HK$99,582,000 and 8.8%, representing a decrease of HK$19,077,000 and a decrease of 2.9% respectively as compared to the same period last year.

- Loss for the year was HK$36,553,000, as compared to a profit of HK$2,644,000 for the same period last year.

- Basic loss per share was 5.1 HK cents, as compared to profit per share of 0.4 HK cent for the same period last year.

BUSINESS REVIEW

For the year ended 31 December 2011, the Group recorded a consolidated turnover of HK$1,129,055,000, representing an increase of 11.7% from HK$1,010,712,000 last year. Gross profit and gross profit margin were HK$99,582,000 and 8.8% respectively. Loss for the year was HK$36,553,000.

For 2011, the Group faced various challenges. Due to the fluctuation of international oil prices, the prices of raw materials were not steady. Although the Group had adjusted the sale prices of our finished products to cater for the fluctuation, it could not set off the fluctuation price of raw materials and as a result gross profit was decreasing.

Although there is a gradual recovery of global economy, the foundation is still weak. As the pace of economic recovery of United States is slow coupled with the staggering of the debt crisis in Europe, the global economic environment is still not clear. In addition, the high inflation of the PRC and the appreciation of Renminbi had caused the increase of the Group's manufacturing and operation costs.

For household products, due to the good reputation of the Group and strong clientele base, the segment turnover in 2011 increased by 21.2%. However the gross profit decreased because there were increase in the costs of raw materials, inflation in the PRC, appreciation of Renminbi and the increase of labour cost.

For the PVC pipes and fitting, although in 2011 the segment turnover had increased by 5.3%, the gross profit was decreased. As there was a downturn of property market in the PRC, which caused greater market competition. Also as there were slowdown of building projects, developers had delayed payment of raw materials, and as a result it had caused an increase of the allowance for doubtful debts for Nam Sok Building Material & Plastic Products (Changshu) Co. Ltd. amounting to HK$19,924,000.

In the period under review, one of the subsidiaries of the Group, South China Reborn Resources (Zhongshan) Company Limited, had sold an unused land and recorded a net gain of HK$19,132,000.

During the year under review, the turnover of property investment amounted to HK$1,034,000, representing a decrease of 0.7% from HK$1,041,000 of the same period last year. Gain arising from fair value changes of investment properties was HK$2,370,000.

PROSPECTS

Looking to the future, the appreciation of Renminbi, increase of minimum wages of the PRC and the shortage of labour all cause the operating costs to stay at high level. The Group will adopt a positive attitude to improve internal management so as to effectively control and reduce the operating costs to acceptable level. The Group will also adopt flexible strategy in sale market so as to maintain business competition. The Group has prepared to cope with the fast changing market situation.

For 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 ("the Ping Shan Land"), as it 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 the development and is now applying to relevant government departments for the approval of the changing of the land use 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 which on completion would contribute encouraging profits for the Group.

For the environmental recycling and reborn resources business, the Group is now considering to utilise its technology and invention patents to develop environmental business including the operation of food waste recycling in Hong Kong and the PRC and the regeneration of sludge into coal in the PRC. If the above projects can be put into operation, it is hoped to bring bright future 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 2011, the Group had bank balances and cash and pledged bank deposits of approximately HK$104,820,000 (31.12.2010: HK$106,566,000) and had interest-bearing bank borrowings of approximately HK$187,851,000 (31.12.2010: HK$191,201,000). 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 2011 amounted to HK$464,862,000; of which HK$187,851,000 of the banking facilities was utilised (utilisation rate was at 40.4%).

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 2011, the Group had current assets of approximately HK$634,538,000 (31.12.2010: HK$569,455,000). The Group's current ratio was approximately 1.4 as at 31 December 2011 as compared with approximately 1.3 as at 31 December 2010. Total shareholders' funds of the Group as at 31 December 2011 increase by 2.7% to HK$954,932,000 (31.12.2010: HK$930,156,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 31 December 2011 was 0.49 (31.12.2010: 0.48).

CHARGES ON ASSETS

Certain leasehold land and buildings, investment properties, prepaid lease payments and bank deposits with an aggregate net book value of HK$293,791,000 were pledged to banks for general banking facilities granted to the Group.

STAFF AND EMPLOYMENT

At 31 December 2011, the Group employed a total workforce of about 2,513 (31.12.2010: 2,791) including 2,470 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK$141,181,000 (31.12.2010: HK$112,908,000). 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 2011, 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 14 June 2012 to 21 June 2012 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 21 June 2012, 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 13 June 2012.

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 2011.

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 2011.

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 2011 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, 27 March 2012

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