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 2015

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 2015 together with the comparative figures for the last corresponding year:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2015

	Notes	**2015** *HK$'000*	2014 *HK$'000*
Turnover	*3*	**993,965**	991,514
Cost of sales		**(848,824)**	(884,317)
Gross profit		**145,141**	107,197
Other income		**14,355**	7,851
Other gains and losses	*4*	**10,424**	8,127
Selling and distribution costs		**(35,179)**	(26,985)
Administrative expenses		**(131,123)**	(110,494)
Impairment losses recognised on trade receivables		**(14,723)**	(15,176)
Finance costs	*5*	**(14,671)**	(12,314)
Loss before taxation		**(25,776)**	(41,794)
Taxation	*6*	**(15,788)**	(7,094)
Loss for the year	*7*	**(41,564)**	(48,888)
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(55,049)**	(29,567)
Total comprehensive expense for the year		**(96,613)**	(78,455)

	Notes	2015 HK$'000	2014 HK$'000
Loss for the year attributable to:			
Owners of the Company		**(41,564)**	(48,884)
Non-controlling interests		**–**	(4)
		(41,564)	(48,888)
Total comprehensive expense for the year attributable to:			
Owners of the Company		**(96,613)**	(78,451)
Non-controlling interests		**–**	(4)
		(96,613)	(78,455)
Loss per share	*9*		
Basic and diluted (HK cents per share)		**(5.84)**	(7.23)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Notes	2015 HK$'000	2014 HK$'000
Non-current assets			
Investment properties		**30,310**	30,130
Property, plant and equipment		**698,226**	747,490
Prepaid lease payments		**73,350**	79,779
Deposits paid for acquisition of property, plant and equipment		**10,340**	8,337
Deposit and prepayments for a life insurance policy	*10*	**50,671**	51,098
Intangible assets		**144**	583
Long-term prepayment		**21,500**	21,500
		884,541	938,917
Current assets			
Inventories		**188,348**	216,386
Trade and other receivables	*11*	**335,460**	294,458
Taxation recoverable		**1,342**	541
Pledged bank deposits		**32,061**	8,489
Bank balances and cash		**39,935**	48,656
		597,146	568,530
Current liabilities			
Trade and other payables	*12*	**226,351**	212,858
Amounts due to directors		**34,192**	36,827
Taxation payable		**12,273**	6,760
Obligations under finance leases – due within one year		**473**	–
Secured bank borrowings – due within one year		**346,663**	322,186
		619,952	578,631
Net current liabilities		**(22,806)**	(10,101)
Total assets less current liabilities		**861,735**	928,816

	Notes	2015 HK$'000	2014 HK$'000
Non-current liabilities			
Obligations under finance leases			
– due after one year		**1,815**	–
Deferred taxation		**5,306**	4,693
Deposit received		**35,419**	37,406
		42,540	42,099
		819,195	886,717
Capital and reserves			
Share capital		**74,662**	67,642
Reserves		**744,533**	819,097
Equity attributable to owners of the Company		**819,195**	886,739
Non-controlling interests		**–**	(22)
		819,195	886,717

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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 and by the Hong Kong Companies Ordinance.

As at 31 December 2015, the Group had loss for the year HK$41,564,000 (2014: HK$48,888,000) and net current liabilities of HK$22,806,000 (2014: HK$10,101,000) which included borrowings due within one year of HK$346,663,000 (2014: HK$322,186,000). The directors believe the existing revolving bank borrowings of HK$244,018,000 (2014: HK$204,732,000) included in the current liabilities at the end of the reporting period could be successfully renewed on maturity date. The directors also do not consider that it is probable that the banks will exercise their discretion to demand immediate repayment for the term loans of HK$114,479,000 (2014: HK$117,454,000) which are subject to repayable on demand clause but not repayable within one year based on the agreed scheduled repayments set out in the loan agreements. In addition, the Group had available unutilised borrowing facilities of HK$382,307,000 (2014: HK$326,599,000) as at 31 December 2015 which will be subject to review in years of 2016 and 2017. The directors are of the opinion that the Group has a good track record and relationship with banks which enhance the Group's ability to renew the borrowing facilities upon expiry.

Taking into account of the presently available banking facilities and internally generated funds of the Group, the directors of the Company are of the view that the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period and accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HKFRSs

The Group has applied the following new and revised HKFRSs issued by HKICPA for the first time in the current year:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

The application of the above amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and position for the current and prior year and/or 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 by the HKICPA but are not yet effective:

HKFRS 9	Financial instruments[1]
HKFRS 15	Revenue from contracts with customers[1]
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations[2]
Amendments to HKAS 1	Disclosure initiative[2]
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants[2]
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[2]
Amendments to HKFRSs	Annual improvements to HKFRSs 2012 – 2014 cycle[2]

[1] *Effective for annual periods beginning on or after 1 January 2018.*

[2] *Effective for annual periods beginning on or after 1 January 2016.*

[3] *Effective for annual periods beginning on or after a date to be determined.*

HKFRS 15 "Revenue from contracts with customers"

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction contracts" and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

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

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
Food waste recycling	–	food waste recycling business
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 2015

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Food waste recycling *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover						
Sales of goods						
External sales	**323,882**	**661,485**	**5,648**	**–**	**–**	**991,015**
Inter-segment sales	**795**	**307**	**–**	**–**	**(1,102)**	**–**
Rental income	**–**	**–**	**–**	**2,950**	**–**	**2,950**
Total	**324,677**	**661,792**	**5,648**	**2,950**	**(1,102)**	**993,965**
Segment (loss) profit	**(11,382)**	**41,446**	**(15,374)**	**2,920**	**–**	**17,610**
Imputed interest income from a deposit placed for a life insurance policy						**1,062**
Interest income						**144**
Premium charges on a life insurance policy						**(1,472)**
Unallocated corporate expenses						**(28,449)**
Finance costs						**(14,671)**
Loss before taxation						**(25,776)**

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

For the year ended 31 December 2014

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Food waste recycling *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover						
Sales of goods						
External sales	354,411	634,599	–	–	–	989,010
Inter-segment sales	380	239	–	–	(619)	–
Rental income	–	–	–	2,504	–	2,504
Total	354,791	634,838	–	2,504	(619)	991,514
Segment (loss) profit	(15,253)	14,556	(6,783)	3,504	–	(3,976)
Imputed interest income from a deposit placed for a life insurance policy						349
Interest income						286
Premium charges on a life insurance policy						(366)
Unallocated corporate expenses						(25,773)
Finance costs						(12,314)
Loss before taxation						(41,794)

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

Segment (loss) profit represents the (loss) incurred/profit earned by each segment without allocation of central administration costs, imputed interest income from a deposit placed for a life insurance policy, interest income, premium charges on a life insurance policy 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 2015

	Household products *HK$'000*	**PVC pipes and fittings** *HK$'000*	**Food waste recycling** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
Assets					
Segment assets	**360,630**	**718,739**	**178,417**	**30,310**	**1,288,096**
Unallocated assets					**193,591**
Consolidated total assets					**1,481,687**
Liabilities					
Segment liabilities	**96,323**	**160,919**	**3,458**	**–**	**260,700**
Unallocated liabilities					**401,792**
Consolidated total liabilities					**662,492**

At 31 December 2014

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Food waste recycling *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Assets					
Segment assets	398,695	738,594	159,285	30,130	1,326,704
Unallocated assets					180,743
Consolidated total assets					1,507,447
Liabilities					
Segment liabilities	101,254	143,860	2,846	–	247,960
Unallocated liabilities					372,770
Consolidated total liabilities					620,730

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

– all assets are allocated to operating segments other than deposit and prepayments for a life insurance policy, taxation recoverable, pledged bank deposits, bank balances and cash as well as deposits and leasehold land and buildings where such buildings are provided to group directors as residential accommodation.

– all liabilities are allocated to operating segments other than amounts due to directors, taxation payable, bank borrowings, obligations under finance leases, deferred taxation, bonus payable and accruals of administrative expenses in head office.

Other segment information

For the year ended 31 December 2015

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Food waste recycling *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment (loss) profit or segment assets:							
Addition to non-current assets	27,406	19,503	4,223	–	51,132	–	51,132
Depreciation	21,674	31,073	6,921	–	59,668	1,939	61,607
Amortisation of intangible assets	430	–	–	–	430	–	430
Amortisation of prepaid lease payments	1,097	1,394	–	–	2,491	–	2,491
Impairment loss recognised on trade receivables	–	14,723	–	–	14,723	–	14,723
Reversal of impairment loss on other receivables	–	(500)	–	–	(500)	–	(500)
Allowance for inventories obsolescence	–	330	–	–	330	–	330
Net foreign exchange gain	(14,748)	(1,658)	(2)	–	(16,408)	–	(16,408)
Loss on disposal of property, plant and equipment	157	6,007	–	–	6,164	–	6,164
Gain arising from changes in fair value of investment properties	–	–	–	(180)	(180)	–	(180)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:							
Imputed interest income from a deposit placed for a life insurance policy	–	–	–	–	–	(1,062)	(1,062)
Interest income	(68)	(76)	–	–	(144)	–	(144)
Interest expenses	9,347	3,761	1,563	–	14,671	–	14,671
Income tax expenses	671	15,117	–	–	15,788	–	15,788
Premium charges on a life insurance policy	–	–	–	–	–	1,472	1,472

For the year ended 31 December 2014

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Food waste recycling *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment (loss) profit or segment assets:							
Addition to non-current assets	11,977	18,161	119,277	–	149,415	–	149,415
Depreciation	20,627	30,861	819	–	52,307	1,939	54,246
Amortisation of intangible assets	438	–	–	–	438	–	438
Amortisation of prepaid lease payments	1,109	1,422	–	–	2,531	–	2,531
Impairment loss (reversal) recognised on trade receivables	(127)	15,303	–	–	15,176	–	15,176
Impairment loss recognised on other receivables	682	913	–	460	2,055	–	2,055
Reversal of allowance for inventory obsolescence	–	(157)	–	–	(157)	–	(157)
Net foreign exchange (gain) loss	(8,557)	1,132	–	–	(7,425)	–	(7,425)
Loss (gain) on disposal of property, plant and equipment	620	(122)	–	–	498	–	498
Gain arising from changes in fair value of investment properties	–	–	–	(1,200)	(1,200)	–	(1,200)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:							
Imputed interest income from deposit placed for a life insurance policy	–	–	–	–	–	(349)	(349)
Interest income	(207)	(79)	–	–	(286)	–	(286)
Interest expenses	8,474	3,840	–	–	12,314	–	12,314
Income tax (credit) expenses	(660)	7,754	–	–	7,094	–	7,094
Premium charges on a life insurance policy	–	–	–	–	–	366	366

Geographical information

More than 90% of the sales of the Group's household products were made to customers in United States of America.

More than 90% of the sales of the Group's PVC pipes and fittings made to customers in the People's Republic of China ("PRC").

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 2015, no customer in household products segment contributed more than 10% of the Group's external revenue. During the year ended 31 December 2014, one customer in household products segment contributed HK$102,920,000, which is over 10%, of the Group's external revenue.

4. OTHER GAINS AND LOSSES

	2015	2014
	HK$'000	*HK$'000*
Gain arising from changes in fair value of investment properties	**180**	1,200
Loss on disposal of property, plant and equipment	**(6,164)**	(498)
Net foreign exchange gain	**16,408**	7,425
	10,424	8,127

5. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Interest on		
– bank borrowings	**14,792**	14,022
– finance leases	**50**	–
– amounts due to a director	**1,027**	36
	15,869	14,058
Less: amounts capitalised in the cost of qualifying assets	**(1,198)**	(1,744)
	14,671	12,314

6. TAXATION

	2015	2014
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– charge for the year	**–**	9
– overprovision in prior years	**(7)**	(740)
	(7)	(731)
PRC Enterprise Income Tax ("EIT")	**15,117**	7,754
	15,110	7,023
Deferred taxation charge	**678**	71
	15,788	7,094

No provision for Hong Kong Profits Tax is made as the Group has no assessable profit for the year. Taxation was calculated at 16.5% of the estimated assessable profit for the prior year.

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.

7. LOSS FOR THE YEAR

	2015	2014
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Directors' emoluments	**24,067**	20,568
Other staff's salaries and wages	**126,988**	125,058
Other staff's retirement benefit scheme contributions	**7,861**	7,119
Share-based payments	**3,877**	–
Total staff costs	**162,793**	152,745
Allowance for inventories obsolescence	**330**	–
Amortisation of intangible assets (included in cost of sales)	**430**	438
Amortisation of prepaid lease payments	**2,491**	2,531
Auditors' remuneration	**2,632**	2,530
Cost of inventories recognised as an expense	**848,494**	884,317
Depreciation of property, plant and equipment	**61,607**	54,246
Impairment loss recognised on trade receivables	**14,723**	15,176
Impairment loss recognised on other receivables	**–**	2,055
Operating lease rentals in respect of rented premises	**2,184**	2,187
and after crediting:		
Gross rental income from investment properties	**2,950**	2,504
Less: Direct operating expenses that generated rental income	**(161)**	(200)
	2,789	2,304
Bank interest income	**144**	286
Imputed interest income from deposit placed for a life insurance policy	**1,062**	349
Reversal of impairment loss on other receivables	**500**	–
Reversal of allowance for inventories obsolescence	**–**	157

8. DIVIDENDS

No final dividend was paid or proposed during both years ended 31 December 2015 and 31 December 2014, nor has dividend been proposed since the end of both reporting periods.

9. LOSS PER SHARE

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

	2015	2014
	HK$'000	*HK$'000*
Loss for the purposes of calculating basic and diluted loss per share (loss for the year attributable to owners of the Company)	**(41,564)**	(48,884)

Number of shares	**2015**	2014
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**712,093,017**	676,417,401

The diluted loss per share for the year ended 31 December 2015 and 2014 has not been taken into account the effect of outstanding share options as their exercise would result in a decrease in loss per share.

10. DEPOSIT AND PREPAYMENTS FOR A LIFE INSURANCE POLICY

During the year ended 31 December 2014, a subsidiary of the Company entered into a life insurance policy (the "Policy") to insure a director of the Company, Ms. Fung Mei Po. Under the policy, the beneficiary and policy holder is a subsidiary of the Company and the total insured sum is USD20,000,000 (equivalent to HK$155,000,000). At inception of the Policy, the Group paid an upfront payment of USD6,785,000 (equivalent to HK$52,587,000). The Group can terminate the policy at any time and can receive cash back based on the net nominal account value of the Policy at the date of withdrawal. The Group receives an interest at interest rates guaranteed by the insurer. As at 31 December 2015, deposit and prepayments for a life insurance policy amounting to HK$50,671,000 (2014: HK$51,098,000) and HK$1,489,000 (2014: HK$1,472,000), totalling HK$52,160,000 (2014: HK$52,570,000), are classified as non-current assets and current assets, respectively.

The directors of the Company expected that the Policy will be terminated at the 10th policy year in 2024 and there will be a specified surrender charge of USD749,000 (equivalent to HK$5,805,000) in accordance with the Policy. The expected life of the Policy remained unchanged from the date of initial recognition and the directors of the Company considered that the financial impact of the option to terminate the policy was not significant.

The effective interest rate of the deposit is 2.11% (2014: 2.11%) per annum which was determined on initial recognition by discounting the estimated future cash receipts through the expected life of the Policy of 10 years. While the premium charges and prepaid premium will be amortised to profit or loss through the expected life of the Policy of 10 years.

As at 31 December 2015 and 2014, the life insurance was pledged to a bank to secure general banking facilities granted to the Group.

The deposit placed for a life insurance policy is denominated in USD, a currency other than the functional currency of the relevant group entity.

11. TRADE AND OTHER RECEIVABLES

The following is an aging analysis of the Group's trade receivables presented based on the invoice date, which approximated the respective revenue recognition dates, net of allowance for doubtful debts, at the end of the reporting period:

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**83,387**	87,499
31 – 60 days	**95,908**	51,371
61 – 90 days	**10,918**	35,552
91 – 180 days	**58,308**	54,374
Over 180 days	**49,319**	39,961
Trade receivables, net of allowance for doubtful debts	**297,840**	268,757
Prepayments for raw materials, deposits and other receivables	**33,764**	21,736
Prepaid lease payments	**2,367**	2,493
Deposit and prepayments for a life insurance policy	**1,489**	1,472
Total trade and other receivables	**335,460**	294,458

The Group allows credit period ranging from 30 days to 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:

	2015	2014
	HK$'000	*HK$'000*
USD	**38,019**	42,355

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of HK$124,509,000 (2014: HK$137,275,000) 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

	2015	2014
	HK$'000	*HK$'000*
31 – 60 days	**20,276**	17,798
61 – 90 days	**6,671**	25,142
91 – 180 days	**54,103**	54,374
Over 180 days	**43,459**	39,961
	124,509	137,275

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 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 allowance is 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

	2015	2014
	HK$'000	*HK$'000*
1 January	**75,607**	62,229
Currency realignment	**(4,747)**	(1,798)
Impairment losses recognised on trade receivables	**14,723**	15,176
31 December	**85,583**	75,607

12. TRADE AND OTHER PAYABLES

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

	2015	2014
	HK$'000	*HK$'000*
0 – 30 days	**82,567**	40,639
31 – 60 days	**32,790**	23,977
61 – 90 days	**13,892**	26,679
Over 90 days	**34,134**	53,628
Total trade and bills payables	**163,383**	144,923
Other payables	**62,968**	67,935
Total trade and other payables	**226,351**	212,858

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

	2015	2014
	HK$'000	*HK$'000*
Receipt in advance	**23,644**	29,721
Wages and bonus payable	**11,514**	12,328
Accrued expenses	**8,940**	11,269
Value-added tax payables	**3,762**	2,343
Property tax and other tax payables	**2,181**	2,841
Payable on acquisition of property, plant and equipment	**2,136**	2,371
Payable on acquisition of land use rights	**1,952**	2,062
Others	**8,839**	5,000
	62,968	67,935

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:

	2015	2014
	HK$'000	*HK$'000*
USD	**32,099**	17,201

FINAL DIVIDEND

The directors resolved not to recommend the payment of final dividend for the year ended 31 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

- The Group recorded a turnover of HK$993,965,000 for the year ended 31 December 2015, representing an increase of 0.25% as compared to the same period last year.

- Gross profit and gross profit margin of the Group recorded were HK$145,141,000 and 14.6%, representing an increase of HK$37,944,000 and an increase of 35.4% respectively as compared to the same period last year.

- Loss for the year was HK$41,564,000, as compared to a loss of HK$48,888,000 for the same period last year.

- Basic loss per share was 5.84 HK cents, as compared to loss per share of 7.23 HK cents for the same period last year.

BUSINESS REVIEW

For the year ended 31 December 2015, the Group recorded a consolidated turnover of HK$993,965,000, representing an increase of 0.25% from HK$991,514,000 last year. Gross profit and gross profit margin were HK$145,141,000 and 14.6% respectively. Loss for the year was HK$41,564,000.

The slow recovery of the world economy coupled with the sluggish sale market of United Sates of America made 2015 a challenging year.

For houseware products business, due to the depreciation of RMB and slight decrease of the price of the plastic raw materials, there was a slight increase in the gross profit. However, due to the gradual increase of the cost of production and business operation, and the effect of the adverse world economy, the business turnover had dropped 8.6% when comparing with the same period last year. The business had recorded a deficit but the situation is better than last year.

For the PVC pipes and fittings business, due to the reduction of the price of plastic raw materials, the business turnover was HK$661,485,000, representing an increase of 4.2% from HK$634,599,000 last year and the business remained profitable.

For the feed production from food waste recycling business, as the business is a new and high technology project, it requires plenty of time and resources to develop special skills and resolve certain unforeseeable obstacles, the pace was slower than expected. However, it still had practical success. The recycling business in Ecopark phase 2, Tuen Mun had commenced operation in the year. The business turnover had gradually increased but still has room for expansion, depending on the continuation of government policy to support the environmental industries. As the business is still in the preliminary stage, the business turnover was HK$5,648,000 and still cannot record profit for the Group.

During the year under review, the turnover of property investment amounted to HK$2,950,000, representing an increase of 17.8% from HK$2,504,000 of the same period last year. Gain arising from fair value changes of investment properties was HK$180,000.

PROSPECTS

Looking to 2016, the business environment will be a year of opportunities and challenges. Facing the weak economy, the Group will strive its best to continue to adjust its strategy, enhance risk management and strengthen internal control so as to maintain a steady development of the existing businesses.

As environmental protection business has good development prospect, the Group will on one hand continue to stabilize, expand and maximize the existing businesses and at the same time to develop its food waste recycling projects business, and to coincide with the government environmental protection policy so as to strive for a break through. The Group will try to grasp hold of each opportunity for its development of environmental recycling and reborn resources business and to continue to develop other potential environmental protection projects so as to generate good 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 2015, the Group had bank balances and cash and pledged bank deposits of approximately HK$71,996,000 (31.12.2014: HK$57,145,000) and had interest-bearing bank borrowings of approximately HK$346,663,000 (31.12.2014: HK$322,186,000). 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 2015 amounted to HK$728,970,000; of which HK$346,663,000 of the banking facilities was utilised (utilisation rate was at 47.5%).

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 2015, the Group had current assets of approximately HK$597,146,000 (31.12.2014: HK$568,530,000). The Group's current ratio was approximately 0.96 as at 31 December 2015 as compared with approximately 0.98 as at 31 December 2014. Total shareholders' funds of the Group as at 31 December 2015 decrease by 7.61% to HK$819,195,000 (31.12.2014: HK$886,717,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 31 December 2015 was 0.81 (31.12.2014: 0.70).

CHARGES ON ASSETS

Certain leasehold land and buildings, investment properties, prepaid lease payments and bank deposits with an aggregate net book value of HK$261,464,000 (31.12.2014: HK$257,165,000) were pledged to banks for general banking facilities granted to the Group.

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

STAFF AND EMPLOYMENT

At 31 December 2015, the Group employed a total workforce of about 1,676 (31.12.2014: 1,869) including 1,615 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK$138,726,000 (31.12.2014: HK$132,177,000). 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 2015, 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 13 June 2016 to 15 June 2016 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 15 June 2016, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 10 June 2016.

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 2015.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2015 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

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 2015.

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. However, in writing one director did not acknowledge the chairman or the director designated by the board before his/her dealing of shares of the Company during the year, which was not complied with Rule B.8 of the Model Code. The director had been reminded that all the directors shall comply to the best of their ability with the Listing rules from time to time in force and must understand the obligation and be familiar with the Listing Rule requirements.

PUBLICATION OF ANNUAL REPORT

The 2015 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, 18 March 2016

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, Madam Chan Lai Kuen Anita, Mr. Lee Kwok Sing Stanley and Mr. Kwong Bau To; 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, Mr. Hui Chi Kuen Thomas and Mr. Shang Sze Ming.