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**世界（集團）有限公司**  
**WORLD HOUSEWARE (HOLDINGS) LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 713)**

**ANNOUNCEMENT OF INTERIM RESULTS 2022**

The Board of Directors (the “Board”) of World Houseware (Holdings) Limited (the “Company”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022 together with the comparative figures for the corresponding period in 2021:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

*FOR THE SIX MONTHS ENDED 30 JUNE 2022*

	<i>NOTES</i>	<b>1.1.2022 to 30.6.2022 HK\$'000 (unaudited)</b>	<b>1.1.2021 to 30.6.2021 HK\$'000 (unaudited)</b>
Turnover	3	<b>320,919</b>	410,856
Cost of sales		<b>(282,312)</b>	(321,540)
Gross profit		<b>38,607</b>	89,316
Other income		<b>2,714</b>	6,124
Other gains and losses	4	<b>13,319</b>	(2,610)
(Loss) gain arising from change in fair value of long-term other assets		<b>(58,068)</b>	40,814
Selling and distribution costs		<b>(31,676)</b>	(37,810)
Administrative expenses		<b>(57,057)</b>	(65,268)
Impairment loss (recognised) reversed under expected credit loss model, net of reversal		<b>(13,960)</b>	6,317
Finance costs	5	<b>(11,849)</b>	(9,273)
(Loss) profit before taxation	6	<b>(117,970)</b>	27,610
Taxation credit (charge)	7	<b>5,216</b>	(1,903)
(Loss) profit for the period		<b>(112,754)</b>	25,707

		<b>1.1.2022 to 30.6.2022</b>	1.1.2021 to 30.6.2021
	<i>NOTES</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>(unaudited)</b>	(unaudited)
Other comprehensive (expense) income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(60,439)</u>	<u>10,343</u>
Total comprehensive (expense) income for the period		<u><u>(173,193)</u></u>	<u><u>36,050</u></u>
(Loss) earnings per share	9		
Basic (HK cents per share)		<u><u>(14.53)</u></u>	<u><u>3.35</u></u>
Diluted (HK cents per share)		<u><u>(14.53)</u></u>	<u><u>3.20</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2022

	<i>NOTES</i>	<b>30.6.2022</b> <b>HK\$'000</b> <b>(unaudited)</b>	31.12.2021 <i>HK\$'000</i> (audited)
Non-current assets			
Investment properties		<b>34,453</b>	36,419
Property, plant and equipment		<b>352,484</b>	357,723
Right-of-use assets		<b>137,678</b>	58,260
Deposits paid for acquisition of property, plant and equipment		<b>15,075</b>	15,788
Deposit and prepayments for a life insurance policy		<b>47,747</b>	48,006
Long-term prepayment		<b>10,750</b>	10,750
Long-term other assets		<b>1,722,996</b>	1,804,094
		<b>2,321,183</b>	2,331,040
Current assets			
Inventories		<b>173,863</b>	206,787
Trade and other receivables	<i>10</i>	<b>313,790</b>	383,768
Contract assets		<b>13,461</b>	8,804
Taxation recoverable		<b>541</b>	565
Pledged bank deposits		<b>6,162</b>	6,162
Bank balances and cash		<b>715,160</b>	843,431
		<b>1,222,977</b>	1,449,517

		<b>30.6.2022</b>	31.12.2021
	<i>NOTES</i>	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
		<b>(unaudited)</b>	(audited)
<b>Current liabilities</b>			
Trade and other payables	<i>11</i>	<b>1,003,537</b>	1,072,759
Contract liabilities		<b>17,685</b>	6,960
Amounts due to directors		<b>21,760</b>	24,760
Taxation payable		<b>359</b>	–
Lease liabilities		<b>16,111</b>	–
Secured bank borrowings		<b>131,250</b>	208,039
		<b><u>1,190,702</u></b>	<u>1,312,518</u>
Net current assets		<b><u>32,275</u></b>	<u>136,999</u>
Total assets less current liabilities		<b><u>2,353,458</u></b>	<u>2,468,039</u>
<b>Non-current liabilities</b>			
Amounts due to directors		<b>154,680</b>	151,300
Deposits received		<b>121,677</b>	125,233
Lease liabilities		<b>70,516</b>	–
Deferred taxation		<b>240,065</b>	251,915
		<b><u>586,938</u></b>	<u>528,448</u>
Net assets		<b><u><u>1,766,520</u></u></b>	<u><u>1,939,591</u></u>
<b>Capital and reserves</b>			
Share capital	<i>12</i>	<b>77,612</b>	77,612
Reserves		<b><u>1,688,908</u></b>	<u>1,861,979</u>
Total equity		<b><u><u>1,766,520</u></u></b>	<u><u>1,939,591</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2022

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“HKAS 34”) “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis, except for investment properties and long-term other assets that are measured at fair values, as appropriate.

Other than additional accounting policies resulting from application of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021.

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

### 3. TURNOVER AND SEGMENT INFORMATION

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

Household products	–	manufacture and distribution of household products
PVC pipes and fittings	–	manufacture and distribution of PVC pipes and fittings
Property investments	–	investment in properties

The following is an analysis of the Group's turnover and results by operating and reportable segments for the periods under review:

#### Six months ended 30 June 2022 (unaudited)

	<b>Household products HK\$'000</b>	<b>PVC pipes and fittings HK\$'000</b>	<b>Property investments HK\$'000</b>	<b>Consolidated HK\$'000</b>
Turnover				
Sales of goods recognised at a point in time	<u>64,417</u>	<u>252,671</u>	<u>–</u>	<u>317,088</u>
Revenue from contracts with customers	64,417	252,671	–	317,088
Rental income	<u>3,188</u>	<u>478</u>	<u>165</u>	<u>3,831</u>
Total segment revenue	<u><b>67,605</b></u>	<u><b>253,149</b></u>	<u><b>165</b></u>	<u><b>320,919</b></u>
Segment loss	(1,335)	(32,748)	(70,996)	(105,079)
Bank interest income				2,437
Interest income from a deposit placed for a life insurance policy				612
Finance costs				(1,053)
Premium charges on a life insurance policy				(843)
Unallocated corporate expenses				<u>(14,044)</u>
Loss before taxation				<u><b>(117,970)</b></u>

Six months ended 30 June 2021 (unaudited)

	Household products <i>HK\$'000</i>	PVC pipes and fittings <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Turnover				
Sales of goods recognised at a point in time	<u>74,675</u>	<u>329,585</u>	<u>–</u>	<u>404,260</u>
Revenue from contracts with customers	74,675	329,585	–	404,260
Rental income	<u>3,058</u>	<u>1,873</u>	<u>1,665</u>	<u>6,596</u>
Total segment revenue	<u><u>77,733</u></u>	<u><u>331,458</u></u>	<u><u>1,665</u></u>	<u><u>410,856</u></u>
Segment profit	4,074	12,580	40,314	56,968
Bank interest income				21
Interest income from a deposit placed for a life insurance policy				599
Finance costs				(9,273)
Premium charges on a life insurance policy				(818)
Unallocated corporate expenses				<u>(19,887)</u>
Profit before taxation				<u><u>27,610</u></u>

Segment profit (loss) represents the profit earned (loss incurred) by each segment without allocation of bank interest income, interest income from a deposit placed for a life insurance policy, certain finance costs, premium charges on a life insurance policy and unallocated corporate expenses including directors' remuneration paid or payable by the Company and certain administrative expenses for corporate use. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

#### 4. OTHER GAINS AND LOSSES

	<b>1.1.2022 to 30.6.2022 HK\$'000 (unaudited)</b>	1.1.2021 to 30.6.2021 HK\$'000 (unaudited)
(Loss) gain arising from changes in fair value of investment properties	<b>(1,966)</b>	739
Net foreign exchange gain (loss)	<b>15,318</b>	(3,320)
Loss on disposal of property, plant and equipment	<b>(33)</b>	(29)
	<b><u>13,319</u></b>	<b><u>(2,610)</u></b>

#### 5. FINANCE COSTS

	<b>1.1.2022 to 30.6.2022 HK\$'000 (unaudited)</b>	1.1.2021 to 30.6.2021 HK\$'000 (unaudited)
Interest on:		
– secured bank borrowings	<b>3,162</b>	3,434
– lease liabilities	<b>2,580</b>	–
Interest/imputed interest on		
– amounts due to directors	<b>2,349</b>	2,241
– deposits received from redevelopment project	<b>3,758</b>	3,598
	<b><u>11,849</u></b>	<b><u>9,273</u></b>



**6. (LOSS) PROFIT BEFORE TAXATION**

	<b>1.1.2022 to 30.6.2022 HK\$'000 (unaudited)</b>	1.1.2021 to 30.6.2021 HK\$'000 (unaudited)
(Loss) profit before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	<b>25,621</b>	20,388
Depreciation of right-of-use assets	<b>10,656</b>	1,531
and after crediting:		
Gross rental income from investment properties	<b>3,831</b>	6,596
<i>Less:</i> direct operating expenses that generated rental income	<u>(110)</u>	<u>(207)</u>
	<u><b>3,721</b></u>	<u>6,389</u>
Imputed interest income arising from long-term other assets	<b>1,033</b>	1,662
Bank interest income	<b>2,437</b>	21
Imputed interest income from a deposit placed for a life insurance policy	<u><b>612</b></u>	<u>599</u>

## 7. TAXATION (CREDIT) CHARGE

	<b>1.1.2022 to 30.6.2022 HK\$'000 (unaudited)</b>	1.1.2021 to 30.6.2021 HK\$'000 (unaudited)
PRC Enterprise Income Tax ("EIT")		
– charge for the period	522	1,245
– under (over) provision in prior years	<u>85</u>	<u>(434)</u>
	<u>607</u>	<u>811</u>
Deferred taxation (credit) charge		
– credit for the period	(9,182)	(1,986)
– withholding tax on profits of non-resident in the PRC	<u>3,359</u>	<u>3,078</u>
	<u>(5,823)</u>	<u>1,092</u>
Taxation (credit) charge for the period	<u><u>(5,216)</u></u>	<u><u>1,903</u></u>

Under the Law of the PRC on EIT (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

PRC withholding income tax of 10% is levied on the income earned in the PRC by a foreign subsidiary.

## 8. DIVIDENDS

No final dividends in respect of the years ended 31 December 2021 and 31 December 2020 were paid, declared or proposed during the current or prior interim period. The directors of the Company have determined that no dividend will be paid in respect of the current interim period (for six months ended 30 June 2021: nil).

## 9. (LOSS) EARNINGS PER SHARE

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

	<b>1.1.2022 to 30.6.2022 HK\$'000 (unaudited)</b>	1.1.2021 to 30.6.2021 HK\$'000 (unaudited)
(Loss) profit for the purposes of calculating basic and diluted (loss) earnings per share	<u><b>(112,754)</b></u>	<u>25,707</u>
	<b>Number of shares</b>	
	<b>30.6.2022</b>	30.6.2021
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<b>776,117,421</b>	767,517,421
Effect of dilutive potential ordinary shares on share options	<u>–</u>	<u>35,165,304</u>
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	<u><b>776,117,421</b></u>	<u>802,682,725</u>

The diluted loss per share for the period ended 30 June 2022 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. TRADE AND OTHER RECEIVABLES

The following is an aged analysis of the Group's trade receivables presented based on the invoice date, which approximated the respective revenue recognition dates, net of allowance for credit losses, and breakdown of other receivables and prepayments at the end of the reporting period:

	<b>30.6.2022</b>	31.12.2021
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(unaudited)</b>	(audited)
0 – 30 days	<b>100,536</b>	117,828
31 – 60 days	<b>43,244</b>	68,884
61 – 90 days	<b>33,006</b>	53,626
91 – 180 days	<b>62,770</b>	58,224
Over 180 days	<b>63,545</b>	62,277
	<hr/>	<hr/>
Trade receivables, net of allowance for credit losses	<b>303,101</b>	360,839
Prepayments for raw materials, deposits and other receivables	<b>8,972</b>	21,240
Deposit and prepayments for a life insurance policy	<b>1,717</b>	1,689
	<hr/>	<hr/>
Total trade and other receivables	<b>313,790</b>	383,768
	<hr/> <hr/>	<hr/> <hr/>

The Group allows credit periods 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.

## 11. TRADE AND OTHER PAYABLES

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

	<b>30.6.2022</b>	31.12.2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
0 – 30 days	<b>48,829</b>	50,091
31 – 60 days	<b>5,748</b>	21,116
61 – 90 days	<b>14,421</b>	6,826
Over 90 days	<b>71,705</b>	89,739
Total trade and bills payables	<b>140,703</b>	167,772
Other payables ( <i>Note</i> )	<b>862,834</b>	904,987
Total trade and other payables	<b>1,003,537</b>	1,072,759

*Note:*

On 5 November 2021, two wholly-owned subsidiaries of the Company, World Houseware Producing Company Limited (“World Producing”) and 南塑建材塑膠製品(深圳)有限公司 Nam Sok Building Material & Plastic Products (Shenzhen) Co., Ltd. (“Nam Sok”) have entered into an agreement with 深圳市龍崗區平湖街道辦事處 Pinghu Street Office, 深圳市龍崗區土地整備事務中心 Land Development Affair Centre and 深圳市規劃和自然資源局龍崗管理局 Planning and Natural Resources Bureau (the “Office, Centre, and Bureau”) in relation to land resumption (the “Land Resumption Agreement”).

Pursuant to the Land Resumption Agreement, World Producing and Nam Sok are responsible for the provision of the existing land which has been used by the Group as production factory and office buildings for its manufacturing and sale of PVC pipes and fittings (the “Existing Land”) and the demolition of the buildings, structures, greening and relevant fixtures erected on the land. The Office, Centre, and Bureau will compensate to World Producing and Nam Sok a piece of land for residential use with ancillary commercial and community uses (the “Replacement Land”). If the fair value of the Replacement Land is less than the fair value of the Existing Land, the difference will be compensated by the Shenzhen Municipal Government as monetary compensation for the land compensation price difference (the “Land Compensation Price Difference”). The Land Compensation Price Difference will be determined based on the final valuation of the Replacement Land, which is subject to the approval by the Shenzhen Municipal Government.

Apart from the above compensation, in view that the Group is required to relocate its factories and office buildings on the Existing Land as a result of the land resumption (the “Relocation”), the Office, Centre, and Bureau agreed to compensate the Group an amount of approximately RMB385,434,000 (equivalent to approximately HK\$450,800,000) (31 December 2021: RMB385,434,000 (equivalent to approximately HK\$471,191,000)) (the “Relocation Compensation”). The amount is subject to final review of the compensation.

The Office, Centre, and Bureau also agreed to compensate to the Group (the “Underground Compensation”) for the cost of restoration of the underground construction at the Existing Land. Up to the date of this report, the Underground Compensation has not been determined.

As at 30 June 2022, the Group has received Relocation Compensation of RMB385,434,000 (equivalent to approximately HK\$450,800,000) (31 December 2021: RMB385,434,000 (equivalent to approximately HK\$471,191,000)) from the Office, Centre, and Bureau. In addition, the Group has received RMB300,000,000 (equivalent to approximately HK\$350,877,000) (31 December 2021: RMB300,000,000 (equivalent to approximately HK\$366,748,000)) from the Office, Centre, and Bureau as an advance payment for the Land Compensation Price Difference. The remaining portion of the Land Compensation Price Difference will be paid by the Office, Centre, and Bureau upon approval process and subject to the final valuation of the Replacement Land.

## 12. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
<i>Authorised:</i>		
At 1 January 2021, 30 June 2021, 1 January 2022 and 30 June 2022	<u>1,500,000,000</u>	<u>150,000</u>
<i>Issued and fully paid:</i>		
At 1 January 2021	764,317,421	76,432
Exercise of share options ( <i>Note</i> )	<u>3,200,000</u>	<u>320</u>
At 30 June 2021	767,517,421	76,752
Exercise of share options ( <i>Note</i> )	<u>8,600,000</u>	<u>860</u>
At 1 January 2022 and 30 June 2022	<u>776,117,421</u>	<u>77,612</u>

*Note:* During the year ended 31 December 2021, 2,000,000 shares of HK\$0.1 each were issued to the share option holders at HK\$0.237 per share upon exercise of the share options granted on 24 October 2011, 7,500,000 shares of HK\$0.1 each were issued to the share option holders at HK\$0.309 per share upon exercise of the share options granted on 12 November 2012, 300,000 shares of HK\$0.1 each were issued to the share option holders at HK\$0.58 per share upon exercise of the share options granted on 1 September 2015 and 2,000,000 shares of HK\$0.1 each were issued at HK\$0.357 per share upon exercise of the share options granted on 20 December 2020 under the share option scheme of the Company adopted on 10 June 2011 and all these shares rank pari passu with other ordinary shares of the Company in all respects.

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS

The Board of Directors (the “Board”) of World Houseware (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2022. This interim report has been approved by the Board and the Audit Committee of the Company.

- The Group recorded a consolidated turnover of HK\$320,919,000 for the six months ended 30 June 2022, representing a decrease of 21.9% or HK\$89,937,000 as compared to HK\$410,856,000 of the same period last year.
- Gross profit of the Group was HK\$38,607,000, representing a decrease of 56.8% or HK\$50,709,000 as compared to HK\$89,316,000 of the same period last year. The gross profit margin was 12.0%, representing a decrease of 9.7% as compared to 21.7% of the same period last year.
- Loss for the period was HK\$112,754,000, as compared to a profit of HK\$25,707,000 for the same period last year.
- Basic loss per share was HK\$14.53 cents, as compared to basic earnings per share of HK\$3.35 cents for the same period last year.
- The Board does not propose any payment of interim dividends for the six months ended 30 June 2022.

### BUSINESS REVIEW

For the period under review, the business of the Group has been affected by the COVID-19 pandemic and the turnover of export business has recorded a decrease. In order to co-operate and comply with the Shenzhen Municipal Government’s “Land Consolidation Interest Overall Planning Project Management Measures”, the factory premises in Pinghu, Shenzhen, the PRC for the production of PVC, PE, PP pipes and fittings has moved to a temporary leased factory premises. As a result, the production capacity has decreased and greatly affected the Group’s business.



For the household products, the business turnover was HK\$64,417,000 representing a decreased of 13.7% when comparing with the same period last year and the business had recorded a segment loss of HK\$1,335,000.

For PVC pipe and fittings manufacturing business, the business turnover was HK\$252,671,000 representing a decreased of 23.3% when comparing with the same period last year and the business had recorded a segment loss of 32,748,000.

For the investment properties during the period under review, the change in fair value of such properties has resulted in decrease in fair value of HK\$1,966,000.

The redevelopment of Shenzhen Pingshan Urban Renewal Project as carried out by the developer is progressing in accordance with the schedule as specified in the agreements. Loss arising from changes in fair value was HK\$58,068,000.

## **PROSPECTS**

Looking to the future, the adverse impact of the COVID-19 pandemic and the relocation of the Shenzhen factories of the PVC pipes and fittings manufacturing business, may hinder the future development of our businesses.

Facing with the above challenges the Group would also continue to enhance business strategies of the major sectors of business and to control production cost so as to increase competitiveness and enhance earnings to the Group.

For the Pingshan Good Time Urban Renewal Project of the Shenzhen Pingshan factories, the project is still under construction. The Group has monitored closely the progress of the project from time to time and it is anticipated that the project will be completed smoothly and generate the expected return to the Group.

For the Shenzhen Pinghu factory under the Land Consolidation Interest Overall Planning Project, it has been approved by the shareholders in an EGM held on 7 April 2022 and the project based on the relevant agreements is progressing smoothly as scheduled. It is expected to generate good return to the Group.

The Group will also strive to improve our business strategies, to monitor the COVID-19 situation, to cooperate with the trend of the development of China, to actively search for new business opportunities, and to unite the staff so as to increase profit and generate good return in fulfilling the Group's objectives.

## **LIQUIDITY, FINANCIAL RESOURCES AND FUNDING**

The Group finances its operations from internally generated cash flows, terms loans and trade finance facilities provided by banks in Hong Kong and the PRC. At 30 June 2022, the Group had bank balances and cash and pledged bank deposits of approximately HK\$721,322,000 (31.12.2021: HK\$849,593,000) and had interest-bearing bank borrowings of approximately HK\$131,250,000 (31.12.2021: HK\$208,039,000). The Group's interest-bearing bank borrowings were mainly computed at Hong Kong Inter-Bank Offering Rate plus a margin. The Group's total banking facilities available as at 30 June 2022 amounted to HK\$465,724,000; of which HK\$131,250,000 of the banking facilities was utilised (utilisation rate was at 28.2%).

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 30 June 2022, the Group had current assets of approximately HK\$1,222,977,000 (31.12.2021: HK\$1,449,517,000). The Group's current ratio was approximately 1.03 as at 30 June 2022 as compared with approximately 1.10 as at 31 December 2021. Total shareholders' funds of the Group as at 30 June 2022 decreased by 8.92% to HK\$1,766,520,000 (31.12.2021: HK\$1,939,591,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 30 June 2022 was 1.01 (31.12.2021: 0.95).

## **CHARGES ON ASSETS**

Certain leasehold land and buildings, investment properties, right-of-use assets and bank deposits with an aggregate net book value of HK\$129,943,000 (31.12.2021: HK\$145,736,000) 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 30 June 2022, the Group employed a total workforce of about 625 (30.6.2021: 747) including 598 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK\$28,754,000 (30.6.2021: HK\$35,622,000). It is the Group's policy to review its employees' 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 programmes were also provided to staff in our PRC factories.

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

During the six months ended 30 June 2022, there were no purchases, sales or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

## **CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR OTHER SIMILAR RIGHTS**

Other than the share options as described above, the Company had no convertible securities, options, warrants or other similar rights in issue during the period or at 30 June 2022.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2022. The unaudited interim results have also been reviewed by the Company's external auditor.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

In the Directors' opinion, the Company has applied the principles and complied with all the applicable code provisions as set out in the Code on Corporate Governance Practices as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the first six months ended 30 June 2022.

## **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.

By Order of the Board  
**WORLD HOUSEWARE (HOLDINGS) LIMITED**  
**Lee Tat Hing**  
*Chairman*

Hong Kong, 27 August 2022

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