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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)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 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 2022

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Turnover	2	628,672	878,030
Cost of sales		(581,254)	<u>(728,606)</u>
Gross profit		47,418	149,424
Other income		37,254	10,176
Other gains and losses	3	93,604	(6,292)
(Loss) gain arising from changes in fair value of long-term other assets		(198,430)	63,392
Selling and distribution costs		(60,269)	(74,898)
Administrative expenses		(124,843)	(104,189)
Impairment losses under expected credit loss model, net of reversal		7,651	20,165
Finance costs	4	(21,838)	<u>(19,190)</u>

		2022	2021
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) profit before taxation		(219,453)	38,588
Taxation credit	<i>5</i>	<u>6,001</u>	<u>5,434</u>
(Loss) profit for the year	<i>6</i>	(213,452)	44,022
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>(86,195)</u>	<u>37,204</u>
Total comprehensive (expense) income for the year		<u>(299,647)</u>	<u>81,226</u>
		<i>HK cents</i>	<i>HK cents</i>
(Loss) earnings per share	<i>8</i>		
Basic		<u>(27.45)</u>	<u>5.73</u>
Diluted		<u>(26.87)</u>	<u>5.53</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2022

	<i>NOTES</i>	2022	2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Investment properties		31,007	36,419
Property, plant and equipment		265,462	357,723
Right-of-use assets		129,636	58,260
Deposits paid for acquisition of property, plant and equipment		17,383	15,788
Deposit and prepayments for a life insurance policy		47,490	48,006
Long-term prepayment	<i>9</i>	10,750	10,750
Long-term other assets	<i>9</i>	1,586,183	1,804,094
		<u>2,087,911</u>	<u>2,331,040</u>
Current assets			
Inventories		172,694	206,787
Trade and other receivables	<i>10</i>	342,000	383,768
Contract assets		7,494	8,804
Taxation recoverable		540	565
Pledged bank deposits		6,206	6,162
Bank balances and cash		587,074	843,431
		<u>1,116,008</u>	<u>1,449,517</u>

		2022	2021
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Current liabilities			
Trade and other payables	<i>11</i>	899,013	1,072,759
Contract liabilities		16,308	6,960
Amounts due to directors		46,471	24,760
Taxation payable		1,405	–
Lease liabilities		21,847	–
Secured bank borrowings		33,340	208,039
		<u>1,018,384</u>	<u>1,312,518</u>
Net current assets		<u>97,624</u>	<u>136,999</u>
Total assets less current liabilities		<u>2,185,535</u>	<u>2,468,039</u>
Non-current liabilities			
Amounts due to directors		130,789	151,300
Deposits received	<i>9</i>	119,542	125,233
Lease liabilities		63,122	–
Deferred taxation		229,202	251,915
		<u>542,655</u>	<u>528,448</u>
Net assets		<u>1,642,880</u>	<u>1,939,591</u>
Capital and reserves			
Share capital		78,562	77,612
Reserves		1,564,318	1,861,979
Total equity		<u>1,642,880</u>	<u>1,939,591</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (the “Group”) have applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“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 consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concession beyond 30 June 2021
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 year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ³
Amendments to HKAS 1	Non-current Liabilities with Covenants ³
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ *Effective for annual periods beginning on or after 1 January 2023*

² *Effective for annual periods beginning on or after a date to be determined*

³ *Effective for annual periods beginning on or after 1 January 2024*

The directors of the Company anticipate that the application of some of these new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. TURNOVER AND 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 "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

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment turnover and results

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

For the year ended 31 December 2022

	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>124,715</u>	<u>496,913</u>	<u>–</u>	<u>621,628</u>
Revenue from contracts with customers	124,715	496,913	–	621,628
Rental income	<u>5,244</u>	<u>527</u>	<u>1,273</u>	<u>7,044</u>
Total segment revenue	<u><u>129,959</u></u>	<u><u>497,440</u></u>	<u><u>1,273</u></u>	<u><u>628,672</u></u>
Segment profit (loss)	16,549	6,381	(196,796)	(173,866)
Bank interest income				4,837
Interest income from a deposit placed for a life insurance policy				1,231
Finance costs				(21,838)
Premium charges on a life insurance policy				(1,689)
Unallocated corporate expenses				<u>(28,128)</u>
Loss before taxation				<u><u>(219,453)</u></u>

For the year ended 31 December 2021

	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>158,458</u>	<u>706,346</u>	<u>–</u>	<u>864,804</u>
Revenue from contracts with customers	158,458	706,346	–	864,804
Rental income	<u>5,318</u>	<u>6,633</u>	<u>1,275</u>	<u>13,226</u>
Total segment revenue	<u><u>163,776</u></u>	<u><u>712,979</u></u>	<u><u>1,275</u></u>	<u><u>878,030</u></u>
Segment (loss) profit	(15,778)	35,000	77,302	96,524
Bank interest income				103
Interest income from a deposit placed for a life insurance policy				1,205
Finance costs				(19,190)
Premium charges on a life insurance policy				(1,640)
Unallocated corporate expenses				<u>(38,414)</u>
Profit before taxation				<u><u>38,588</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies. 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, 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.

Segment assets and liabilities

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

	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>
At 31 December 2022				
Assets				
Segment assets	181,251	682,514	1,642,105	2,505,870
Unallocated assets				<u>698,049</u>
Consolidated total assets				<u><u>3,203,919</u></u>
Liabilities				
Segment liabilities	24,714	202,128	368,740	595,582
Unallocated liabilities				<u>965,457</u>
Consolidated total liabilities				<u><u>1,561,039</u></u>
At 31 December 2021				
Assets				
Segment assets	255,342	727,885	1,840,514	2,823,741
Unallocated assets				<u>956,816</u>
Consolidated total assets				<u><u>3,780,557</u></u>
Liabilities				
Segment liabilities	64,202	172,721	375,957	612,880
Unallocated liabilities				<u>1,228,086</u>
Consolidated total liabilities				<u><u>1,840,966</u></u>

Other segment information

For the year ended 31 December 2022

	Household products <i>HK\$'000</i>	PVC pipes and fittings <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:						
Addition to property, plant and equipment	704	42,299	–	43,003	–	43,003
Depreciation of property, plant and equipment	14,456	31,188	–	45,644	1,939	47,583
Depreciation of right-of-use assets	688	22,489	–	23,177	–	23,177
Impairment loss reversed on trade receivables	–	(7,651)	–	(7,651)	–	(7,651)
Net foreign exchange gain	(29,698)	(14,915)	–	(44,613)	–	(44,613)
Loss (gain) on disposal/write-off of property, plant and equipment and right-of-use assets	414	(53,930)	–	(53,516)	–	(53,516)
Loss arising from changes in fair value of investment properties	–	–	5,412	5,412	–	5,412
Loss arising from changes in fair value of long-term other assets	–	–	198,430	198,430	–	198,430

For the year ended 31 December 2021

	Household products <i>HK\$'000</i>	PVC pipes and fittings <i>HK\$'000</i>	Property investments <i>HK\$'000</i>	Segment total <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:						
Addition to property, plant and equipment	7,048	21,023	–	28,071	–	28,071
Depreciation of property, plant and equipment	14,666	25,300	–	39,966	1,940	41,906
Depreciation of right-of-use assets	1,176	1,426	–	2,602	–	2,602
Impairment loss reversed on trade receivables	–	(20,165)	–	(20,165)	–	(20,165)
Net foreign exchange loss	4,357	5,040	–	9,397	–	9,397
Loss on disposal/write-off of property, plant and equipment and right-of-use assets	69	9,027	–	9,096	–	9,096
Gain arising from changes in fair value of investment properties	–	–	(684)	(684)	–	(684)
Gain arising from changes in fair value of long-term other assets	–	–	(63,392)	(63,392)	–	(63,392)

Geographical information

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

More than 90% of the sales of the Group's PVC pipes and fittings made to customers in the 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

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

	Year ended	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Customer A ¹	N/A ³	118,665
Customer B ²	66,338	N/A ³

¹ Revenue from PVC pipes and fittings

² Revenue from household products

³ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

3. OTHER GAINS AND LOSSES

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Net foreign exchange gain (loss)	44,613	(9,397)
(Loss) gain arising from changes in fair value of investment properties	(5,412)	684
Gain (loss) on disposal/write-off of property, plant and equipment and right-of-use assets	53,516	(9,096)
Recovery of trade receivables previously written off	887	11,517
	<u>93,604</u>	<u>(6,292)</u>

4. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Interest on:		
– secured bank borrowings	4,584	7,368
– lease liabilities	5,032	–
Interest/imputed interest on:		
– amounts due to directors	4,637	4,546
– Deposits Received from Redevelopment Project	7,585	7,276
	<u>21,838</u>	<u>19,190</u>

5. TAXATION CREDIT

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
PRC Enterprise Income Tax		
– charge for the year	1,451	517
– under (over) provision in prior years	168	(1,865)
	<u>1,619</u>	<u>(1,348)</u>
PRC Land Appreciation Tax	<u>5,094</u>	–
Deferred taxation credit		
– credit for the year	(6,160)	(10,152)
– withholding tax on profits of a non-resident in the PRC	(6,554)	6,066
	<u>(12,714)</u>	<u>(4,086)</u>
Total	<u>(6,001)</u>	<u>(5,434)</u>

6. (LOSS) PROFIT FOR THE YEAR

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss) profit for the year has been arrived at after charging:		
Directors' emoluments	16,636	18,239
Other staff's salaries and wages	66,910	72,955
Other staff's retirement benefit scheme contributions	<u>2,707</u>	<u>2,490</u>
Total staff costs	<u>86,253</u>	<u>93,684</u>
Depreciation of property, plant and equipment	47,583	41,906
Depreciation of right-of-use assets	<u>23,177</u>	<u>2,602</u>
Total depreciation	<u>70,760</u>	<u>44,508</u>
Auditors' remuneration	2,893	2,858
Cost of inventories recognised as an expense	570,698	728,606
Premium charges on a life insurance policy	1,689	1,640
and after crediting:		
Gross rental income from investment properties	1,273	1,275
Less: direct operating expenses that generated rental income	<u>(235)</u>	<u>(253)</u>
	<u><u>1,038</u></u>	<u><u>1,022</u></u>

7. DIVIDENDS

No final dividend was paid or proposed during both years ended 31 December 2022 and 31 December 2021, nor has dividend been proposed since the end of both reporting periods.

8. (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:

	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) profit for the purposes of calculating basic and diluted (loss) earnings per share	<u>(213,452)</u>	<u>44,022</u>
	Number of shares	
	2022	2021
Weighted average number of ordinary shares for the purpose of basic earnings per share	777,729,750	768,239,613
Effect of dilutive potential ordinary shares on share options	<u>16,517,229</u>	<u>28,140,915</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>794,246,979</u>	<u>796,380,528</u>

9. REDEVELOPMENT PROJECT

	Fair value of compensated properties <i>HK\$'000</i>	Present value of compensation income receivables <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2021	1,682,013	59,877	1,741,890
Gain arising from changes in fair value of long-term other assets	63,392	–	63,392
Imputed interest income from compensation income receivables from Redevelopment Project	–	2,866	2,866
Compensation received from Redevelopment Project	–	(20,655)	(20,655)
Exchange realignment/difference	15,200	1,401	16,601
	<hr/>	<hr/>	<hr/>
At 31 December 2021	1,760,605	43,489	1,804,094
Loss arising from changes in fair value of long-term other assets	(198,430)	–	(198,430)
Imputed interest income from compensation income receivables from Redevelopment Project	–	1,102	1,102
Compensation income from Redevelopment Project	–	22,928	22,928
Exchange realignment/difference	(39,502)	(4,009)	(43,511)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<u>1,522,673</u>	<u>63,510</u>	<u>1,586,183</u>

Included in compensation income receivables are the following amounts denominated in currency other than the functional currency of the relevant group company:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
RMB	<u>37,851</u>	<u>30,271</u>

On 11 August 2011, one of the subsidiaries of the Company, Welidy Limited (“Welidy”), has entered into a conditional provisional removal remedy agreement (“Provisional Agreement”) with an independent third party property developer (the “Developer”) in relation to the redevelopment of a piece of land owned by the Group (the “Land”) and this Land constituted part of a redevelopment project (“Redevelopment Project”) proposed by the Developer. The factory building built on the Land is owned by another subsidiary of the Company, namely 世界塑膠餐墊(寶安)有限公司 World Plastic Mat (Baoan) Company Limited (“World (Baoan)”).

Under the Provisional Agreement, the Group agreed to surrender the Land, in the future, to the Developer for certain residential or commercial properties (the “Compensated Properties”) to be built under the Redevelopment Project (the “Transaction”).

Upon signing the Provisional Agreement, an interest-free refundable deposit amounting to RMB30,000,000 (equivalent to approximately HK\$33,937,000 (2021: HK\$36,675,000)) was received by the Group, which is refundable on the date of receipt of all the Compensated Properties (the “Compensated Properties Receipt Date”) or acknowledgement from PRC government authorities on the termination of Redevelopment Project, whichever is earlier. The Group also prepaid HK\$21,500,000 for legal and consultancy services to be provided by a PRC lawyer in respect of the Redevelopment Project and the amount is recognised as long-term prepayment in the consolidated statement of financial position (“Prepayment”). As at 31 December 2022, the carrying amount of the Prepayment amounted to HK\$10,750,000 (2021: HK\$10,750,000).

On 16 August 2017, Welidy and World (Baoan) further entered into a supplementary agreement to the Provisional Agreement (the “Supplementary Agreement”) with a fellow subsidiary of the Developer (the “Ultimate Developer”). In the Supplementary Agreement, the consideration for the Transaction have been finalised which includes the details of the Compensated Properties to be received upon completion of Redevelopment Project and unconditional and non-refundable monthly compensation income (“Compensation income”) to be received by the Group from the Ultimate Developer up to the Compensated Properties Receipt Date. Upon signing the Supplementary Agreement, further refundable deposits amounting to RMB80,000,000, in which RMB30,000,000 is interest-free and RMB50,000,000 is interest bearing at 6%, were received by the Group, together with the deposit received in 2011 as mentioned above, hereinafter referred to as the “Deposits Received”.

The Transaction with the Ultimate Developer was completed on 8 August 2018.

As at 31 December 2022, the principal amount of the Deposits Received is RMB110,000,000 (equivalent to approximately HK\$124,434,000) (2021: RMB110,000,000 (equivalent to approximately HK\$134,474,000)) with carrying amount of HK\$119,542,000 (2021: HK\$125,233,000). The Deposits Received is measured at amortised cost using the effective interest rate at 6% per annum.

As the fair value of the Compensated Properties changes from time to time, the carrying amount recognised by the Group would be subject to remeasurement at fair value at each subsequent reporting date prior to obtaining control of the Compensated Properties. The fair values of the Compensated Properties at the end of the reporting period have been arrived at on the basis of a valuation carried out by the Valuer not connected with the Group, in accordance with the HKIS Valuation Standards issued by Hong Kong Institute of Surveyors.

As at 31 December 2022 and 2021, the fair value of Compensated Properties was determined based on direct comparison method making reference to market observable transactions of similar properties and adjust to reflect the conditions and locations of the subject properties. The market unit rate of the Compensated Properties used in the valuation was referenced to similar commercial properties, which ranged from RMB19,800 to RMB44,000 (2021: RMB22,500 to RMB50,000) and similar residential properties, which as RMB37,100 (2021: RMB42,000). Market unit rate, which mainly taking into account of the time, location, frontage and size are considered as significant unobservable input. A significant increase in the market unit rate used would result in a significant increase in the fair value of the Compensated Properties, and vice versa. Other key inputs and significant assumptions which involve judgements, included discount rate and time to completion. The discount rate used in the valuation was referenced to the applicable market yield of similar properties. The fair value measurements of Compensated Properties are categorised as Level 3 of the fair value hierarchy. There were no transfers into or out of Level 2 or Level 3 during both years.

10. 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 credit losses and breakdown of other receivables and prepayments at the end of the reporting period:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0-30 days	52,384	117,828
31-60 days	62,791	68,884
61-90 days	37,225	53,626
91-180 days	53,478	58,224
Over 180 days	<u>108,877</u>	<u>62,277</u>
Trade receivables, net of allowance for credit losses	314,755	360,839
Prepayments for raw materials, deposits and other receivables	25,498	21,240
Deposit and prepayments for a life insurance policy	<u>1,747</u>	<u>1,689</u>
Total trade and other receivables	<u><u>342,000</u></u>	<u><u>383,768</u></u>

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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0-30 days	37,087	50,091
31-60 days	17,905	21,116
61-90 days	6,744	6,826
Over 90 days	<u>35,685</u>	<u>89,739</u>
Total trade and bills payables	97,421	167,772
Other payables	<u>801,592</u>	<u>904,987</u>
Total trade and other payables	<u><u>899,013</u></u>	<u><u>1,072,759</u></u>

FINAL DIVIDEND

The directors resolved not to recommend the payment of final dividend for the year ended 31 December 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

- The Group recorded a turnover of HK\$628,672,000 for the year ended 31 December 2022, representing a decrease of 28.4% as compared to the same period last year.
- Gross profit and gross profit margin of the Group recorded were HK\$47,418,000 and 7.5%, representing a decrease of HK\$102,006,000 and a decrease of 68.3% respectively as compared to the same period last year.
- Loss for the year was HK\$213,452,000 as compared to a profit of HK\$44,022,000 for the same period last year.
- Basic loss per share was 27.45 HK cents, as compared to profit per share of 5.73 HK cents for the same period last year.

BUSINESS REVIEW

For the year ended 31 December 2022, the Group recorded a consolidated turnover of HK\$628,672,000, representing a decrease of 28.4% when comparing with HK\$878,030,000 last year. Gross profit and gross profit margin were HK\$47,418,000 and 7.5% respectively. Loss for the year was HK\$213,452,000.

During the year 2022, as affected by the outspread of the Covid-19 pandemic, the production and sale volume of the products of the Group all experienced decreases of business turnover and gross profit.

For the household products business, the business turnover was HK\$129,959,000 which represented a decrease of 20.6% when comparing with HK\$163,776,000 last year. The business had recorded a segment profit of HK\$16,549,000.

For PVC pipes and fittings manufacturing business, in order to co-operate with the Shenzhen Government's land resumption project for the sale of the Group's land in Pinghu, Longgang District Shenzhen city the Pinghu production factories had been moved to the temporary rented factories in Dongguan for production during the transitional period. As a result, there experienced decreases both in production and business turnover. The business turnover was HK\$497,440,000 representing a decrease of 30.2% when comparing with HK\$712,979,000 last year. The business had recorded a segment profit of HK\$6,381,000.

The loss arising from changes in fair value of investment properties and long-term other assets were HK\$5,412,000 and HK\$198,430,000.

PROSPECTS

Looking ahead, it seems that the Covid-19 pandemic has a sign of diminishing. It is encouraging to know that the commercial and business environment are recovering.

For the Ping Shan Good Time Urban Renewal Project (花樣年旭輝好時光家園) in Shenzhen, Ping Shan, the Group will timely announce when it actually receives all relevant properties according to the agreement.

Regarding the Group's land parcel no. G05701-4 located at Pinghu Street, Longgang District Shenzhen city sold to the Shenzhen Government's land resumption project, the Group is now in the stage of negotiating, planning and examining all basic details with PRC government and will timely announce when it actually comes into effect.

The Group will size up the situations from time to time so as to adjust various business tactics, to control the expenses of the Group for suitable redeployment of resources, to appoint professionals with special skills to the Board of directors so as to strengthen the Board's management and governance, to expand our team of innovation and technology talents, to develop Green and Plastic-free technology for our business, to purchase advanced equipment to improve our production capabilities so as to enhance, improve business skill and to generate profit 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 2022, the Group had bank balances and cash and pledged bank deposits of approximately HK\$593,280,000 (31.12.2021: HK\$849,593,000) and had interest-bearing secured bank borrowings of approximately HK\$33,340,000 (31.12.2021: HK\$208,039,000). The Group's interest-bearing secured 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 2022 amounted to HK\$456,642,000; of which HK\$33,340,000 of the banking facilities was utilised (utilisation rate was at 7.3%).

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 2022, the Group had current assets of approximately HK\$1,116,008,000 (31.12.2021: HK\$1,449,517,000). The Group's current ratio was approximately 1.10 as at 31 December 2022 as compared with approximately 1.10 as at 31 December 2021. Total shareholders' funds of the Group as at 31 December 2022 decreased by 15.3% to HK\$1,642,880,000 (31.12.2021: HK\$1,939,591,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 31 December 2022 was 0.95 (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\$151,739,000 (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 31 December 2022, the Group employed a total workforce of about 570 staff (31.12.2021: 710) including 545 staff (31.12.2021: 682) in our factories located in the PRC. The total staff remuneration incurred during the year was HK\$69,617,000 (31.12.2021: HK\$75,445,000). 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 year ended 31 December 2022, 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 25 May 2023 to 31 May 2023 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 31 May 2023, 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 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 24 May 2023.

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 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.

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 2022.

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 2022 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 as approved by the Board of Directors on 30 March 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

PUBLICATION OF ANNUAL REPORT

The 2022 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
WORLD HOUSEWARE (HOLDINGS) LIMITED
Lee Tat Hing
Chairman

Hong Kong, 30 March 2023

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. Ho Tak Kay and Mr. Hui Chi Kuen Thomas.