

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 2023

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 2023 together with the comparative figures for the corresponding period in 2022:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	<i>NOTES</i>	1.1.2023 to 30.6.2023 HK\$'000 (unaudited)	1.1.2022 to 30.6.2022 HK\$'000 (unaudited)
Turnover	3	180,782	320,919
Cost of sales		(161,907)	(282,312)
Gross profit		18,875	38,607
Other income		21,146	2,714
Other gains and losses	4	22,031	13,319
Loss arising from change in fair value of long-term other assets		(121,462)	(58,068)
Selling and distribution costs		(25,006)	(31,676)
Administrative expenses		(46,859)	(57,057)
Impairment losses reversed (recognised) under expected credit loss model, net of reversal		6,514	(13,960)
Finance costs	5	(9,687)	(11,849)
Loss before taxation	6	(134,448)	(117,970)
Taxation credit	7	5,233	5,216
Loss for the period		(129,215)	(112,754)

		1.1.2023 to	1.1.2022 to
		30.6.2023	30.6.2022
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Other comprehensive expense:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(51,738)</u>	<u>(60,439)</u>
Total comprehensive expense for the period		<u><u>(180,953)</u></u>	<u><u>(173,193)</u></u>
		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted loss per share	9	<u><u>(16.41)</u></u>	<u><u>(14.53)</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2023

		30.6.2023	31.12.2022
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Non-current assets			
Investment properties		31,797	31,007
Property, plant and equipment		223,976	265,462
Right-of-use assets		86,365	129,636
Deposits paid for acquisition of property, plant and equipment		13,884	17,383
Deposit and prepayments for a life insurance policy		46,793	47,490
Long-term prepayment		10,750	10,750
Long-term other assets		1,457,924	1,586,183
		<u>1,871,489</u>	<u>2,087,911</u>
Current assets			
Inventories		154,262	172,694
Trade and other receivables	<i>10</i>	264,694	342,000
Contract assets		7,076	7,494
Taxation recoverable		541	540
Pledged bank deposits		6,281	6,206
Bank balances and cash		746,892	587,074
		<u>1,179,746</u>	<u>1,116,008</u>

		30.6.2023	31.12.2022
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(audited)
Current liabilities			
Trade and other payables	<i>11</i>	964,584	899,013
Contract liabilities		13,614	16,308
Amounts due to directors		118,266	46,471
Taxation payable		242	1,405
Lease liabilities		21,459	21,847
Secured bank borrowings		26,260	33,340
		<u>1,144,425</u>	<u>1,018,384</u>
Net current assets		<u>35,321</u>	<u>97,624</u>
Total assets less current liabilities		<u>1,906,810</u>	<u>2,185,535</u>
Non-current liabilities			
Amounts due to directors		59,450	130,789
Deposits received		116,072	119,542
Lease liabilities		49,448	63,122
Deferred taxation		216,143	229,202
		<u>441,113</u>	<u>542,655</u>
Net assets		<u><u>1,465,697</u></u>	<u><u>1,642,880</u></u>
Capital and reserves			
Share capital	<i>12</i>	79,212	78,562
Reserves		<u>1,386,485</u>	<u>1,564,318</u>
Total equity		<u><u>1,465,697</u></u>	<u><u>1,642,880</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

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 new and 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 2023 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2022.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following new and 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 2023 for the preparation of the Group’s condensed consolidated financial statements:

HKFRS 17	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Except as described below, the application of the new and 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.

Impacts and changes in accounting policies on application of Amendments to HKAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

For leasing transactions in which the tax deductions are attributable to the lease liabilities the Group applies HKAS 12 requirements to the lease liabilities and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Transition and summary of effects

As disclosed in the Group's annual financial statements for the year ended 31 December 2022, the Group previously applied the HKAS 12 requirements to assets and liabilities arising from a single transaction separately and temporary differences on initial recognition on the relevant assets and liabilities were not recognised due to application of the initial recognition exemption. In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group recognised the related deferred tax assets associated with the lease liability of HK\$20,015,000 and deferred tax liabilities associated with the right-of-use asset of HK\$20,015,000 as at 31 December 2022 on a gross basis. As the lease transaction was entered during the year ended 31 December 2022, the application of the amendments has no impact on the deferred tax assets, deferred tax liabilities and retained earnings as at 1 January 2022.

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 2023 (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>24,686</u>	<u>152,736</u>	<u>–</u>	<u>177,422</u>
Revenue from contracts with customers	24,686	152,736	–	177,422
Rental income	<u>3,195</u>	<u>–</u>	<u>165</u>	<u>3,360</u>
Total segment revenue	<u><u>27,881</u></u>	<u><u>152,736</u></u>	<u><u>165</u></u>	<u><u>180,782</u></u>
Segment loss	(10,226)	(5,272)	(94,858)	(110,356)
Bank interest income				681
Interest income from a deposit placed for a life insurance policy				625
Finance costs				(9,687)
Premium charges on a life insurance policy				(871)
Unallocated corporate expenses				<u>(14,840)</u>
Loss before taxation				<u><u>(134,448)</u></u>

Six months ended 30 June 2022 (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>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><u>67,605</u></u>	<u><u>253,149</u></u>	<u><u>165</u></u>	<u><u>320,919</u></u>
Segment profit (loss)	1,499	(28,544)	(67,238)	(94,283)
Bank interest income				2,437
Interest income from a deposit placed for a life insurance policy				612
Finance costs				(11,849)
Premium charges on a life insurance policy				(843)
Unallocated corporate expenses				<u>(14,044)</u>
Loss before taxation				<u><u>(117,970)</u></u>

Segment loss represents the 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.

4. OTHER GAINS AND LOSSES

	1.1.2023 to 30.6.2023 HK\$'000 (unaudited)	1.1.2022 to 30.6.2022 HK\$'000 (unaudited)
Gain (loss) arising from changes in fair value of investment properties	790	(1,966)
Net foreign exchange gain	21,515	15,318
Loss on disposal of property, plant and equipment	<u>(274)</u>	<u>(33)</u>
	<u>22,031</u>	<u>13,319</u>

5. FINANCE COSTS

	1.1.2023 to 30.6.2023 HK\$'000 (unaudited)	1.1.2022 to 30.6.2022 HK\$'000 (unaudited)
Interest on:		
– secured bank borrowings	1,554	3,162
– lease liabilities	2,216	2,580
Interest/imputed interest on		
– amounts due to directors	2,292	2,349
– deposits received from redevelopment project	<u>3,625</u>	<u>3,758</u>
	<u>9,687</u>	<u>11,849</u>

6. LOSS BEFORE TAXATION

	1.1.2023 to 30.6.2023 HK\$'000 (unaudited)	1.1.2022 to 30.6.2022 HK\$'000 (unaudited)
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	16,650	25,621
Depreciation of right-of-use assets	12,201	10,656
and after crediting:		
Gross rental income from investment properties	3,360	3,831
<i>Less:</i> direct operating expenses that generated rental income	(94)	(110)
	<u>3,266</u>	<u>3,721</u>
Imputed interest income arising from long-term other assets	294	1,033
Bank interest income	681	2,437
Imputed interest income from a deposit placed for a life insurance policy	<u>625</u>	<u>612</u>

7. TAXATION CREDIT

	1.1.2023 to 30.6.2023 HK\$'000 (unaudited)	1.1.2022 to 30.6.2022 HK\$'000 (unaudited)
PRC Enterprise Income Tax ("EIT")		
– charge for the period	2,684	522
– underprovision in prior years	<u>347</u>	<u>85</u>
	<u>3,031</u>	<u>607</u>
Deferred taxation		
– credit for the period	(1,660)	(9,182)
– withholding tax on profits of non-resident in the PRC	<u>(6,604)</u>	<u>3,359</u>
	<u>(8,264)</u>	<u>(5,823)</u>
Taxation credit for the period	<u><u>(5,233)</u></u>	<u><u>(5,216)</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 2022 and 31 December 2021 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 2022: nil).

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:

	1.1.2023 to 30.6.2023 HK\$'000 (unaudited)	1.1.2022 to 30.6.2022 HK\$'000 (unaudited)
Loss for the purposes of calculating basic and diluted loss per share	<u>(129,215)</u>	<u>(112,754)</u>
	Number of shares	
	30.6.2023	30.6.2022
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>787,531,310</u>	<u>776,117,421</u>

The diluted loss per share for the period ended 30 June 2023 and 30 June 2022 have 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:

	30.6.2023	31.12.2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(audited)
0 – 30 days	62,441	52,384
31 – 60 days	29,215	62,791
61 – 90 days	24,821	37,225
91 – 180 days	23,317	53,478
Over 180 days	104,751	108,877
	<hr/>	<hr/>
Trade receivables, net of allowance for credit losses	244,545	314,755
Prepayments for raw materials, deposits and other receivables	17,951	25,498
Deposit and prepayments for a life insurance policy	2,198	1,747
	<hr/>	<hr/>
Total trade and other receivables	264,694	342,000
	<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:

	30.6.2023	31.12.2022
	HK\$'000	HK\$'000
	(unaudited)	(audited)
0 – 30 days	25,209	37,087
31 – 60 days	6,640	17,905
61 – 90 days	8,338	6,744
Over 90 days	9,541	35,685
	<hr/>	<hr/>
Total trade and bills payables	49,728	97,421
Other payables (<i>Note</i>)	914,856	801,592
	<hr/>	<hr/>
Total trade and other payables	964,584	899,013
	<hr/> <hr/>	<hr/> <hr/>

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 (the “Relocation Compensation”) for the cost of Relocation. The compensation amount is subject to final review.

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. The compensation amount is subject to final review.

As at 30 June 2023, the Group has received of RMB480,000,000 (equivalent to approximately HK\$518,919,000) (31 December 2022: RMB300,000,000 (equivalent to approximately HK\$339,367,000)) 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. In addition, the Group has received Relocation Compensation of RMB385,434,000 (equivalent to approximately HK\$416,685,000) (31 December 2022: RMB385,434,000 (equivalent to approximately HK\$436,011,000)) and Underground Compensation of RMB19,419,000 (equivalent to approximately HK\$20,994,000) (31 December 2022: RMB19,419,000 (equivalent to approximately HK\$21,967,000)) from the Office, Centre, and Bureau.

As at 30 June 2023, the amount of compensation receipt in advance for land resumption has been offset with property, plant and equipment of HK\$72,848,000 (31 December 2022: HK\$48,640,000) demolished and right-of-use assets of HK\$27,108,000 (31 December 2022: nil) derecognised pursuant to the Land Resumption Agreement as the directors of the Company considered the carrying amounts of these assets could be recovered through the compensations received from the Land Resumption Project.

12. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 January 2022, 30 June 2022, 1 January 2023 and 30 June 2023	<u>1,500,000,000</u>	<u>150,000</u>
Issued and fully paid:		
At 1 January 2022 and 30 June 2022	776,117,421	77,612
Exercise of share options	<u>9,500,000</u>	<u>950</u>
At 1 January 2023	785,617,421	78,562
Exercise of share options (<i>Note</i>)	<u>6,500,000</u>	<u>650</u>
At 30 June 2023	<u>792,117,421</u>	<u>79,212</u>

Note: During the period ended 30 June 2023, 6,500,000 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 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 2023. This interim results announcement has been approved by the Board and the Audit Committee of the Company.

- The Group recorded a consolidated turnover of HK\$180,782,000 for the six months ended 30 June 2023, representing a decrease of 43.7% or HK\$140,137,000 as compared to HK\$320,919,000 of the same period last year.
- Gross profit of the Group was HK\$18,875,000, representing a decrease of 51.1% or HK\$19,732,000 as compared to HK\$38,607,000 of the same period last year. The gross profit margin was 10.4%, representing a decrease of 1.6% as compared to 12.0% of the same period last year.
- Loss for the period was HK\$129,215,000, as compared to a loss of HK\$112,754,000 for the same period last year.
- Basic loss per share was HK\$16.41 cents, as compared to basic loss per share of HK\$14.53 cents for the same period last year.
- The Board does not propose any payment of interim dividends for the six months ended 30 June 2023.

BUSINESS REVIEW

Looking back for the period from January to June 2023 the worldwide economic situation is challenging. The economy is recovering slowly after the novel coronavirus and it is difficult to estimate the business environment. For PVC pipes and fittings manufacturing business, as they have to co-operate with the PRC Shenzhen Urban government for the consolidation of the land restructuring benefit projects, the Group's land at Pinghu Street, Longgang District, Shenzhen City, PRC was resumed by the PRC Shenzhen Urban government (hereinafter called the "Land Resumption Project"). The Group's factory in Shenzhen has to move to temporary rented factory to continue its business which had caused adverse effect to the business of this Sector during this period.

For the household products business, the business turnover was HK\$24,686,000 which represented a decrease of 61.7% when comparing with HK\$64,417,000 last year. The business had recorded a segment loss of HK\$10,226,000.

For PVC pipes and fittings manufacturing business, the business turnover was HK\$152,736,000 representing a decrease of 39.6% when comparing with HK\$252,671,000 last year and the business had recorded a segment loss of HK\$5,272,000.

The gains arising from changes in fair value of investment properties has resulted in an increase of HK\$790,000. Loss arising from changes in fair value on long-term other assets was HK\$121,462,000.

PROSPECTS

Looking to the second half of the year, due to the uncertainty of the worldwide challenge, it is believed that the business environment cannot be improved in short period of time.

For the Pingshan Good Time Urban Renewal Project (花樣年旭輝好時光家園) in Pingshan, Shenzhen, the Group will make timely announcement regarding the progress of the said Project.

We are still negotiating with the PRC Government regarding the details for the compensation, land exchange and relevant procedures of the Shenzhen Government's Land Resumption Project, located at Pinghu Street, Longgang District, Shenzhen and the Group will make timely announcement for its progress.

For the voluntary announcement dated 20 July 2023 regarding the letter of intent for the cooperation in investment promotion project for the two wholly owned subsidiaries of the Group namely South China Reborn Resources (Zhongshan) Company Limited and Fundbor Textiles (Zhongshan) Company Limited (“the Subsidiaries”) with the government of Shaxi Town, Zhongshan for the industrial reform of the two parcels of land owned by the Subsidiaries at Chong Bian Industrial Zone, Chong Bian Village, Sha Xi Town, Zhongshan City, Guangdong Province which covers aggregated area around 226 mu (mu is a Chinese unit of land measurement that is commonly 666.7 square meters) of the industrial land, the proposition of expanding industrial using area with relevant facilities (hereinafter called the “Industrial Reform”). After the Industrial Reform, China Reborn Resource will be relocated to that new area and the additional around 50% of that area and other properties would be arranged for lease and sale. We are now in the course of negotiating with relevant government authorities. The Group will make announcement for its progress from time to time.

The Group will in the worldwide economy challenge strive positively to strengthen and do its best to develop its business expecting a bright future to the Group.

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 2023, the Group had bank balances and cash and pledged bank deposits of approximately HK\$753,173,000 (31.12.2022: HK\$593,280,000) and had interest-bearing bank borrowings of approximately HK\$26,260,000 (31.12.2022: HK\$33,340,000). 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 2023 amounted to HK\$399,571,000; of which HK\$26,260,000 of the banking facilities was utilised (utilisation rate was at 6.6%).

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 2023, the Group had current assets of approximately HK\$1,179,746,000 (31.12.2022: HK\$1,116,008,000). The Group's current ratio was approximately 1.03 as at 30 June 2023 as compared with approximately 1.10 as at 31 December 2022. Total shareholders' funds of the Group as at 30 June 2023 decreased by 10.8% to HK\$1,465,697,000 (31.12.2022: HK\$1,642,880,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 30 June 2023 was 1.08 (31.12.2022: 0.95).

CHARGES ON ASSETS

Certain leasehold land and buildings, investment properties, right-of-use assets and bank deposits with the aggregate net book value of HK\$133,830,000 (31.12.2022: HK\$132,437,000) 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 2023, the Group employed a total workforce of about 572 (30.6.2022: 625) including 547 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK\$23,018,000 (30.6.2022: HK\$28,754,000). 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 2023, 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 2023.

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 2023. 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 2023.

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, 23 August 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, Mr. Lee Kwok Sing Stanley, Mr. Leung Cho Wai, Mr. Tsui Chi Yuen and Mr. Lee Hon Sing Alan; the Non-executive Directors of the Company are Mr. Cheung Tze Man Edward and Ms. Lee Ka Yee; the Independent Non-executive Directors of the Company are Mr. Tsui Chi Him Steve, Mr. Ho Tak Kay, Mr. Hui Chi Kuen Thomas, Ms. Tsang Wing Yee and Ms. Hong Ting.