



# World Houseware (Holdings) Limited

*(Incorporated in the Cayman Islands with limited liability)*

Stock code: 713

—◆ Interim Report ◆—

## 2024

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## Corporate Information

### BOARD OF DIRECTORS

#### **Executive Directors**

Mr. Lee Tat Hing (*Chairman*)  
Ms. Fung Mei Po (*Chief Executive Officer*)  
Mr. Lee Chun Sing  
Mr. Lee Kwok Sing Stanley  
Mr. Leung Cho Wai  
Mr. Tsui Chi Yuen  
Mr. Lee Hong Sing Alan

#### **Non-executive Directors**

Mr. Cheung Tze Man Edward  
Ms. Lee Ka Yee

#### **Independent Non-executive Directors**

Mr. Tsui Chi Him Steve  
Mr. Ho Tak Kay  
Mr. Hui Chi Kuen Thomas  
Ms. Tsang Wing Yee  
Ms. Hong Ting

### QUALIFIED ACCOUNTANT

Mr. Leung Cho Wai, *FCCA, CPA*

### COMPANY SECRETARY

Mr. Tsui Chi Yuen, *CPA*

### PRINCIPAL OFFICE

Flat A, 18th Floor  
Bold Win Industrial Building  
16-18 Wah Sing Street  
Kwai Chung  
New Territories  
Hong Kong

### REGISTERED OFFICE

P.O. Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

### PRINCIPAL BANKERS

Standard Chartered Bank  
HSBC  
Bank of China  
Hang Seng Bank  
DBS Hong Kong

### AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Registered Public Interest Entity Auditors

### SHARE REGISTRARS AND TRANSFER OFFICES

#### **In Hong Kong**

Tricor Secretaries Limited  
17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

#### **In the Cayman Islands**

The R&H Trust Co. Ltd.  
P.O. Box 897  
Windward 1  
Regatta Office Park  
Grand Cayman KY1-1103  
Cayman Islands

### STOCK CODE

713

### COMPANY'S WEBSITE

<http://www.worldhse.com>

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 2024 together with the comparative figures for the corresponding period in 2023:

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

		<b>Six months ended</b>	
	<i>NOTES</i>	<b>30.6.2024</b>	30.6.2023
		<b>HK\$'000</b>	HK\$'000
		<b>(unaudited)</b>	(unaudited)
Turnover	3	<b>159,263</b>	180,782
Cost of sales		<b>(133,589)</b>	(161,907)
<hr/>			
Gross profit		<b>25,674</b>	18,875
Other income		<b>13,296</b>	21,146
Other gains and losses	4	<b>5,460</b>	22,031
Loss arising from changes in fair value of long-term other assets		<b>(128,455)</b>	(121,462)
Selling and distribution costs		<b>(14,511)</b>	(25,006)
Administrative expenses		<b>(43,569)</b>	(46,859)
Net impairment losses (recognised) reversed under expected credit loss model		<b>(8,929)</b>	6,514
Finance costs	5	<b>(4,742)</b>	(9,687)
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Loss before taxation	6	<b>(155,776)</b>	(134,448)
Taxation credit	7	<b>15,207</b>	5,233
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Loss for the period		<b>(140,569)</b>	(129,215)
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<b>Other comprehensive expense:</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(17,323)</b>	(51,738)
<hr/>			
Total comprehensive expense for the period		<b>(157,892)</b>	(180,953)
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		<b>HK cents</b>	HK cents
Basic and diluted loss per share	9	<b>(17.75)</b>	(16.41)

# Condensed Consolidated Statement of Financial Position

At 30 June 2024

	NOTES	30.6.2024 HK\$'000 (unaudited)	31.12.2023 HK\$'000 (audited)
Non-current assets			
Investment properties	10	29,104	29,924
Property, plant and equipment	11	242,880	260,508
Right-of-use assets		61,660	76,053
Deposits paid for acquisition of property, plant and equipment		20,634	17,906
Deposit and prepayments for a life insurance policy		47,109	47,264
Long-term prepayment		10,750	10,750
Long-term other assets	12	1,342,553	1,482,320
		<b>1,754,690</b>	1,924,725
Current assets			
Inventories		139,983	133,553
Trade and other receivables	13	287,743	273,297
Contract assets		7,052	7,648
Taxation recoverable		845	786
Pledged bank deposits		6,557	6,281
Short-term bank deposits		–	73,974
Bank balances and cash		642,898	636,149
		<b>1,085,078</b>	1,131,688
Current liabilities			
Trade and other payables	14	999,213	1,024,120
Contract liabilities		11,091	10,808
Amounts due to directors		40,955	43,643
Taxation payable		–	94
Lease liabilities		17,463	19,408
		<b>1,068,722</b>	1,098,073
Net current assets		<b>16,356</b>	33,615
Total assets less current liabilities		<b>1,771,046</b>	1,958,340

## Condensed Consolidated Statement of Financial Position (Continued)

At 30 June 2024

	NOTES	30.6.2024 HK\$'000 (unaudited)	31.12.2023 HK\$'000 (audited)
Non-current liabilities			
Amounts due to directors		<b>128,496</b>	127,436
Deposits received	12	<b>118,153</b>	120,032
Lease liabilities		<b>31,666</b>	41,978
Deferred taxation		<b>199,227</b>	217,498
		<b>477,542</b>	506,944
Net assets		<b>1,293,504</b>	1,451,396
Capital and reserves			
Share capital	15	<b>79,212</b>	79,212
Reserves		<b>1,214,292</b>	1,372,184
Total equity		<b>1,293,504</b>	1,451,396

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital HK\$'000	Share premium HK\$'000	Non-distributable reserve HK\$'000 (Note a)	Capital reserve HK\$'000 (Note b)	Share option reserve HK\$'000	Translation reserve HK\$'000	PRC statutory surplus reserve HK\$'000 (Note c)	Retained profits HK\$'000	Total HK\$'000
At 1 January 2024 (audited)	79,212	356,505	251,393	14,124	9,717	203,366	51,885	485,194	1,451,396
Loss for the period	-	-	-	-	-	-	-	(140,569)	(140,569)
Other comprehensive expense for the period	-	-	-	-	-	(17,323)	-	-	(17,323)
Total comprehensive expense for the period	-	-	-	-	-	(17,323)	-	(140,569)	(157,892)
At 30 June 2024 (unaudited)	79,212	356,505	251,393	14,124	9,717	186,043	51,885	344,625	1,293,504
At 1 January 2023 (audited)	78,562	351,385	251,393	10,345	11,717	230,267	51,885	657,326	1,642,880
Loss for the period	-	-	-	-	-	-	-	(129,215)	(129,215)
Other comprehensive expense for the period	-	-	-	-	-	(51,738)	-	-	(51,738)
Total comprehensive expense for the period	-	-	-	-	-	(51,738)	-	(129,215)	(180,953)
Exercise of share options	650	5,120	-	-	(2,000)	-	-	-	3,770
At 30 June 2023 (unaudited)	79,212	356,505	251,393	10,345	9,717	178,529	51,885	528,111	1,465,697

## Notes:

- (a) The non-distributable reserve of the Group arose as a result of capitalisation of retained profits by subsidiaries.
- (b) The capital reserve of the Group arose from deemed contribution from the controlling shareholders of the Company.
- (c) As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to maintain a statutory surplus reserve fund. Statutory surplus reserve fund is non-distributable. Appropriations to such reserve are made out of net profit after taxation of the PRC subsidiaries at the discretion of its board of directors. The statutory surplus reserve fund can be used to make up prior year losses, if any, and can be applied to convert into capital by means of capitalisation issue.

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	Six months ended	
	30.6.2024 HK\$'000 (unaudited)	30.6.2023 HK\$'000 (unaudited)
Net cash (used in) from operating activities	<b>(46,108)</b>	14,528
Investing activities		
Withdrawal of short-term bank deposits	<b>73,974</b>	–
Interest received	<b>9,646</b>	681
Deposit paid for acquisition of property, plant and equipment	<b>(5,344)</b>	–
Purchase of property, plant and equipment	<b>(2,027)</b>	(7,340)
Other investing cash flows	<b>(276)</b>	(60)
Compensation receipt in advance for land resumption	–	203,851
Net cash from investing activities	<b>75,973</b>	197,132
Financing activities		
Repayments of lease liabilities	<b>(10,121)</b>	(10,786)
Other financing cash flows	<b>(4,958)</b>	(3,700)
Repayments of bank loans	–	(7,703)
Exercise of share options	–	3,770
Net cash used in financing activities	<b>(15,079)</b>	(18,419)
Net increase in cash and cash equivalents	<b>14,786</b>	193,241
Cash and cash equivalents at 1 January	<b>636,149</b>	587,074
Effect of foreign currency rate changes	<b>(8,037)</b>	(33,423)
Cash and cash equivalents at 30 June, represented by bank balances and cash	<b>642,898</b>	746,892



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 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 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, which are measured at fair values.

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 2024 are the same as those presented in the Group’s annual consolidated financial statements for the year ended 31 December 2023.

### 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 2024 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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 2024 (unaudited)

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Property investments HK\$'000	Consolidated HK\$'000
Turnover				
Sales of goods recognised at a point in time	37,494	120,407	–	157,901
Revenue from contracts with customers	37,494	120,407	–	157,901
Rental income	589	95	678	1,362
Total segment revenue	38,083	120,502	678	159,263
Segment loss	(10,218)	(8,217)	(128,877)	(147,312)
Bank interest income				9,646
Interest income from a deposit placed for a life insurance policy				436
Finance costs				(4,742)
Premium charges on a life insurance policy				(958)
Unallocated corporate expenses				(12,846)
Loss before taxation				(155,776)

### 3. TURNOVER AND SEGMENT INFORMATION (Continued)

#### Six months ended 30 June 2023 (unaudited)

	Household products HK\$'000	PVC pipes and fittings HK\$'000	Property investments HK\$'000	Consolidated HK\$'000
Turnover				
Sales of goods recognised at a point in time	24,686	152,736	–	177,422
Revenue from contracts with customers	24,686	152,736	–	177,422
Rental income	3,195	–	165	3,360
Total segment revenue	27,881	152,736	165	180,782
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				(14,840)
Loss before taxation				(134,448)

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 certain 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

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) gain arising from changes in fair value of investment properties	(820)	790
Net foreign exchange gain	6,463	21,515
Loss on disposal of property, plant and equipment	(183)	(274)
	<b>5,460</b>	<b>22,031</b>

#### 5. FINANCE COSTS

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
– secured bank borrowings	–	1,554
– lease liabilities	1,540	2,216
Interest/imputed interest on:		
– amounts due to directors	2,236	2,292
– deposits received from redevelopment project	966	3,625
	<b>4,742</b>	<b>9,687</b>

## 6. LOSS BEFORE TAXATION

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss before taxation has been arrived at after charging:		
Depreciation of property, plant and equipment	13,653	16,650
Depreciation of right-of-use assets	11,337	12,201
and after crediting:		
Gross rental income from investment properties	678	165
Less: direct operating expenses that generated rental income	(104)	(94)
	574	71
Imputed interest income from compensation income receivables from redevelopment project	801	294
Bank interest income	9,646	681
Interest income from a deposit placed for a life insurance policy	436	625

## 7. TAXATION CREDIT

	Six months ended	
	30.6.2024 HK\$'000 (unaudited)	30.6.2023 HK\$'000 (unaudited)
PRC Enterprise Income Tax ("EIT")		
– charge for the period	–	(2,684)
– underprovision in prior years	–	(347)
	–	(3,031)
Deferred taxation		
– credit for the period	7,719	1,660
– withholding tax on profits of non-resident in the PRC	7,488	6,604
	15,207	8,264
Taxation credit for the period	15,207	5,233

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 subsidiary incorporated in Hong Kong.

## 8. DIVIDENDS

No final dividends in respect of the years ended 31 December 2023 and 31 December 2022 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 2023: 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:

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss for the purposes of calculating basic and diluted loss per share	(140,569)	(129,215)

	Number of shares	
	30.6.2024	30.6.2023
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	792,117,421	787,531,310

The diluted loss per share for the period ended 30 June 2024 and 30 June 2023 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. INVESTMENT PROPERTIES

The Group's investment properties were measured in fair value by an independent professional valuer at 30 June 2024 by reference to comparable sales transactions as available in the relevant markets and where appropriate on the basis of capitalisation of the relevant net income, resulting in an a decrease in fair value of investment properties of HK\$820,000 (for six months ended 30 June 2023: increase in fair value of investment properties of HK\$790,000), which has been recognised directly in profit or loss in the condensed consolidated statement of profit or loss and other comprehensive income.

## 11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group incurred HK\$4,196,000 (for six months ended 30 June 2023: HK\$10,167,000) on acquisition of property, plant and equipment.

During the six months ended 30 June 2024, the directors of the Company performed impairment assessment of the property, plant and equipment and right-of-use assets allocated to the cash-generating unit in relation to the household products segment. The recoverable amount of the cash-generating unit has been determined based on a fair value less cost of disposal. Based on the result of the assessment, management of the Group determined no impairment loss was recognised during the six months ended 30 June 2024.

As at 30 June 2024, the directors of the Company considered there was no impairment on property, plant and equipment and right-of-use assets relating to the PVC pipes and fitting segment as losses incurred in the relocation could be recovered through the compensations received from the Land Resumption Project.



## 12. REDEVELOPMENT PROJECT

On 8 August 2018, the transaction in which the Group agreed to surrender a piece of land to a property developer for certain residential or commercial properties (the “Compensated Properties”) to be built under a redevelopment project was completed (the “Transaction”). The consideration for the Transaction has 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 to be received by the Group from the property developer up to the date of receipt of all the Compensated Properties. In addition, certain deposits were received from the property developer.

As at 30 June 2024, the principal amount of the deposits received from the property developer amounting to RMB110,000,000 (equivalent to approximately HK\$118,153,000) (31 December 2023: RMB110,000,000 (equivalent to approximately HK\$121,012,000)) with carrying amount of HK\$118,153,000 (31 December 2023: HK\$120,032,000). The deposits received is measured at amortised cost using the effective interest rate at 6% per annum.

As at 30 June 2024, the compensation income receivable is not expected to be realised within twelve months after the reporting period.

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.

## 12. REDEVELOPMENT PROJECT *(Continued)*

As at 30 June 2024, the long-term other assets of RMB1,249,917,000 (equivalent to approximately HK\$1,342,553,000) (31 December 2023: RMB1,347,564,000 (equivalent to approximately HK\$1,482,320,000)) consists of the present value of the future monthly compensation income receivable of RMB72,185,000 (equivalent to approximately HK\$77,535,000) (31 December 2023: RMB71,454,000 (equivalent to approximately HK\$78,599,000)) and the fair value of the Compensated Properties of RMB1,177,732,000 (equivalent to approximately HK\$1,265,018,000) (31 December 2023: RMB1,276,110,000 (equivalent to approximately HK\$1,403,721,000)).

As at 30 June 2024 and 31 December 2023, the fair value of Compensated Properties was determined based on direct comparison method making reference to market observable transactions of similar properties and adjusted 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 RMB16,650 to RMB37,000 (31 December 2023: RMB18,000 to RMB40,000) per square meter and similar residential properties, at RMB33,500 (31 December 2023: RMB36,000) per square meter. Market unit rate, which mainly taking into account of the 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 periods.

### 13. 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>30.6.2024</b>	31.12.2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
0-30 days	<b>27,061</b>	37,757
31-60 days	<b>30,455</b>	48,156
61-90 days	<b>20,361</b>	25,145
91-180 days	<b>35,982</b>	41,318
Over 180 days	<b>107,305</b>	85,037
<hr/>		
Trade receivables, net of allowance for credit losses	<b>221,164</b>	237,413
Prepayments for raw materials, deposits and other receivables	<b>65,318</b>	34,401
Deposit and prepayments for a life insurance policy	<b>1,261</b>	1,483
<hr/>		
Total trade and other receivables	<b>287,743</b>	273,297

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.

#### 14. 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>30.6.2024</b>	31.12.2023
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(audited)
0-30 days	<b>17,877</b>	18,520
31-60 days	<b>3,092</b>	4,541
61-90 days	<b>709</b>	508
Over 90 days	<b>10,761</b>	30,858
<hr/>		
Total trade and bills payables	<b>32,439</b>	54,427
Other payables ( <i>Note</i> )	<b>966,774</b>	969,693
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Total trade and other payables	<b>999,213</b>	1,024,120
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*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") entered into an agreement (the "Land Resumption 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 Project").

## 14. TRADE AND OTHER PAYABLES (Continued)

*Note: (Continued)*

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 and acceptability by the Group with the agreed specification.

Apart from the above compensation, in view that the Group is required to relocate its factories and office buildings on the Existing Land to a leased factory as a result of the land resumption and further relocate to new location in the future (the “Relocations”), the Office, Centre, and Bureau agreed to compensate the Group (the “Relocation Compensation”) for the cost of Relocations. 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 and further actions by the Group.

As at 30 June 2024, the Group has received of RMB502,692,000 (equivalent to approximately HK\$539,948,000) (31 December 2023: RMB502,692,000 (equivalent to approximately HK\$553,016,000)) from the Office, Centre, and Bureau as an advance payment for the Land Compensation Price Difference. The amount of Land Compensation Price Difference will be finalised 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\$414,000,000) (31 December 2023: RMB385,434,000 (equivalent to approximately HK\$424,019,000)) and Underground Compensation of RMB19,419,000 (equivalent to approximately HK\$20,858,000) (31 December 2023: RMB19,419,000 (equivalent to approximately HK\$21,363,000)) from the Office, Centre, and Bureau.

As at 30 June 2024, the aggregate amount of the property, plant and equipment demolished, right-of-use assets derecognised and expenses incurred for the relocation is RMB83,337,000 (equivalent to approximately HK\$89,513,000) (31 December 2023: RMB83,337,000 (equivalent to approximately HK\$91,680,000)) pursuant to the Land Resumption Agreement.

## 15. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 January 2023, 30 June 2023, 1 January 2024 and 30 June 2024	1,500,000,000	150,000
Issued and fully paid:		
At 1 January 2023	785,617,421	78,562
Exercise of share options	6,500,000	650
At 30 June 2023, 1 January 2024 and 30 June 2024	792,117,421	79,212

## 16. CAPITAL COMMITMENTS

	30.6.2024 HK\$'000 (unaudited)	31.12.2023 HK\$'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of:		
– plant and equipment	2,704	340
– buildings	8,144	2,638
	10,848	2,978

## 17. RELATED PARTY TRANSACTIONS

During the period, the Group had the following significant transactions with related parties:

### (a) Compensation of key management personnel

	Six months ended	
	30.6.2024	30.6.2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Short-term benefits	8,503	9,394
Post-employment benefits	45	36
	<b>8,548</b>	9,430

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

- (b) During the six months ended 30 June 2024, Joy Tower Limited, a related party of the Group, provided its residential property to secure one of the Group's banking facilities amounting to HK\$57,394,000 (31 December 2023: HK\$57,394,000).

Mr. Lee Tat Hing and his spouse, Ms. Fung Mei Po, the directors and controlling shareholders of the Company, are directors and controlling shareholders of Joy Tower Limited.

# Report on Review of Condensed Consolidated Financial Statements

# Deloitte.

# 德勤

To the Board of Directors of  
World Houseware (Holdings) Limited

世界(集團)有限公司

(incorporated in the Cayman Islands with limited liability)

## Introduction

We have reviewed the condensed consolidated financial statements of World Houseware (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 3 to 22, which comprise the condensed consolidated statement of financial position as of 30 June 2024 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

28 August 2024

# 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 2024. This interim report has been approved by the Board and the Audit Committee of the Company.

- The Group recorded a consolidated turnover of HK\$159,263,000 for the six months ended 30 June 2024, representing a decrease of 11.9% or HK\$21,519,000 as compared to HK\$180,782,000 of the same period last year.
- Gross profit of the Group was HK\$25,674,000, representing an increase of 36.0% or HK\$6,799,000 as compared to HK\$18,875,000 of the same period last year. The gross profit margin was 16.1%, representing an increase of 5.7% as compared to 10.4% of the same period last year.
- Loss for the period was HK\$140,569,000, as compared to a loss of HK\$129,215,000 for the same period last year.
- Basic loss per share was HK\$17.75 cents, as compared to basic loss per share of HK\$16.41 cents for the same period last year.
- The Board does not propose any payment of interim dividends for the six months ended 30 June 2024.

## BUSINESS REVIEW

For the period under review, due to the uncertainty of the worldwide economic environment, the business situation of the Group is challenging.

For the household products business, the business turnover was HK\$37,494,000 which represented an increase of 51.9% when comparing with HK\$24,686,000 last year. The business had recorded a segment loss of HK\$10,218,000.

For PVC pipes and fittings manufacturing business, the business turnover was HK\$120,407,000 representing a decrease of 21.2% when comparing with HK\$152,736,000 last year and the business has recorded a segment loss of HK\$8,217,000.

For investment of properties, the fair value of investment properties has recorded a loss of HK\$820,000. Loss arising from changes in fair value on long-term other assets was HK\$128,455,000.

## PROSPECTS

For the Group's Project of Pingshan Good Time Urban Renewal Project (花樣年旭輝好時光家園) in Pingshan, Shenzhen, it is expected that the Developer can complete and hand over all the related properties to the Group in the year of 2024. The Group will make announcement for its progress from time to time.

Regarding the compensation, land exchange and relevant procedures of the Shenzhen Government's Land Resumption Project located at Pinghu, Longgang District, Shenzhen, made between the Shenzhen City Government and the Group, the Group is in the course of processing replacement land resumption and the Group will make announcement for its progress from time to time.

For the Group's announcement dated 23 May 2024 regarding the Agreement made between the Group and the government of Shaxi Town, Zhongshan City, Guangdong Province on 22 May 2024 for the co-operation in investment promotion project, the Group is now in the course of submitting the architectural design to the PRC Government for consideration. The Group will make announcement for its progress from time to time.

The Group will continue to assess the effect of global economy made to the Group and will adopt suitable cost effective measures to cope with the challenging economic environment so as to enhance the business efficiency of the Group.

By Order of the Board

**Lee Tat Hing**

*Chairman*

Hong Kong

28 August 2024

## 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 2024, the Group had bank balances and cash, short-term bank deposits and pledged bank deposits of approximately HK\$649,455,000 (31.12.2023: HK\$716,404,000) and had interest-bearing bank borrowings of approximately HK\$0 (31.12.2023: HK\$0). 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 2024 amounted to HK\$377,217,000; of which no banking facilities was utilised (utilisation rate was at 0%).

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 2024, the Group had current assets of approximately HK\$1,085,078,000 (31.12.2023: HK\$1,131,688,000). The Group's current ratio was approximately 1.02 as at 30 June 2024 as compared with approximately 1.03 as at 31 December 2023. Total shareholders' funds of the Group as at 30 June 2024 decreased by 10.9% to HK\$1,293,504,000 (31.12.2023: HK\$1,451,396,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 30 June 2024 was 1.20 (31.12.2023: 1.11).

## 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\$122,012,000 (31.12.2023: HK\$125,128,000) 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 2024, the Group employed a total workforce of about 510 (30.6.2023: 572) including 485 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK\$23,449,000 (30.6.2023: HK\$23,018,000). 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.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

At 30 June 2024 the interests of the directors, chief executive and their associates in the shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”); or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

Name of directors	Number of issued ordinary shares held				Total	Percentage of the issued share capital of the Company
	Personal interests	Family interests	Corporate interests	Other interests		
Lee Tat Hing	20,756,072	58,121,087 <sup>(a)</sup>	28,712,551 <sup>(a)</sup>	280,895,630 <sup>(a)</sup>	388,485,340	49.04%
Fung Mei Po	58,121,087	49,468,623 <sup>(a)</sup>	–	280,895,630 <sup>(a)</sup>	388,485,340	49.04%
Lee Chun Sing	34,315,830	2,526,000 <sup>(a)</sup>	–	280,895,630 <sup>(a)</sup>	317,737,460	40.11%
Lee Kwok Sing Stanley	5,623,280	–	–	280,895,630 <sup>(a)</sup>	286,518,910	36.17%
Leung Cho Wai	5,000,000	–	–	–	5,000,000	0.63%
Tsui Chi Yuen	1,401,000	–	–	–	1,401,000	0.18%
Lee Hon Sing Alan	2,884,300	–	–	280,895,630 <sup>(a)</sup>	283,779,930	35.83%
Cheung Tze Man Edward	2,000,000	–	–	–	2,000,000	0.25%
Lee Ka Yee	–	–	–	280,895,630 <sup>(a)</sup>	280,895,630	35.46%
Tsui Chi Him Steve	1,200,000	–	–	–	1,200,000	0.15%
Hui Chi Kuen Thomas	1,300,000	–	–	–	1,300,000	0.16%

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES *(Continued)*

### Notes:

- (a) Mr. Lee Tat Hing is the husband of Ms. Fung Mei Po whose personal interests are therefore also the family interests of Mr. Lee Tat Hing.
- (b) Ms. Fung Mei Po is the wife of Mr. Lee Tat Hing whose personal and corporate interests are therefore also the family interests of Ms. Fung Mei Po.
- (c) The shares are held by Lees International Investments Limited, a company wholly owned by Mr. Lee Tat Hing. Mr. Lee Tat Hing is the sole director of Lees International Investments Limited.
- (d) 280,895,630 shares are wholly owned by a discretionary trust company namely Goldhill Profits Limited of which Mr. Lee Tat Hing, Ms. Fung Mei Po, Mr. Lee Chun Sing, Mr. Lee Kwok Sing Stanley, Mr. Lee Hon Sing Alan and Ms. Lee Ka Yee and other persons who are not directors and chief executive of the Company are the beneficiaries of the Company. Mr. Lee Tat Hing is the sole director of Goldhill Profits Limited.
- (e) The shares are held by Ms. Lai Lai Wah, the wife of Mr. Lee Chun Sing whose personal interests are also the family interests of Mr. Lee Chun Sing.

At 30 June 2024 the following director had personal interests in the deferred non-voting shares of a subsidiary of the Company:

Name of director	Name of subsidiary	Number of deferred non-voting shares held
Fung Mei Po	World Home Linen Manufacturing Company Limited	100



## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES *(Continued)*

The deferred shares do not carry any rights to vote at general meetings of this subsidiary or to participate in any distributions of profits until the profits of this subsidiary which are available for dividend exceed HK\$10 billion, or to receive a return of capital until a total sum of HK\$10 billion has been distributed to the ordinary shareholders of each of this subsidiary.

At 30 June 2024 save as aforesaid and options holdings disclosed under the heading of "Share Options and Directors' Rights to Acquire Shares or Debentures" and other than certain nominee shares in subsidiaries held by directors in trust for the Group, none of the directors, chief executives or their associates had any interests or short positions in the shares or any securities of the Company and its associated corporations.

## SUBSTANTIAL SHAREHOLDERS

At 30 June 2024 the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, other than the interests in shares disclosed above in respect of the directors of the Company, the Company has not been notified of any other interests representing 5 percent or more of the Company's issued share capital as at 30 June 2024.

Save as disclosed in this interim report, the directors and chief executive of the Company are not aware of any other person who, as at 30 June 2024 had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Part XV of the SFO.

## SHARE OPTIONS AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

The following table discloses movements in the Company's share options during the six months ended 30 June 2024:

	Date of grant	Exercise price HK\$	Exercisable period (Note 1)	Outstanding as at 31.12.2023 and 30.06.2024
Category 1: Directors				
Lee Tat Hing	22.12.2020	0.357	22.12.2020 to 21.12.2030	7,500,000
Fung Mei Po	22.12.2020	0.357	22.12.2020 to 21.12.2030	7,500,000
Lee Chun Sing	01.09.2015	0.580	01.09.2015 to 31.08.2025	3,000,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	5,000,000
Lee Kwok Sing Stanley	01.09.2015	0.580	01.09.2015 to 31.08.2025	3,000,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	1,100,000
Leung Cho Wai	01.09.2015	0.580	01.09.2015 to 31.08.2025	100,000
Tsui Chi Yuen	01.09.2015	0.580	01.09.2015 to 31.08.2025	2,000,000
Lee Hon Sing Alan	01.09.2015	0.580	01.09.2015 to 31.08.2025	3,000,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	1,100,000
Cheung Tze Man Edward	01.09.2015	0.580	01.09.2015 to 31.08.2025	500,000
Tsui Chi Him Steve	01.09.2015	0.580	01.09.2015 to 31.08.2025	300,000
Hui Chi Kuen Thomas	01.09.2015	0.580	01.09.2015 to 31.08.2025	300,000
Ho Tak Kay	01.09.2015	0.580	01.09.2015 to 31.08.2025	300,000
Category 2: Employees				
	01.09.2015	0.580	01.09.2015 to 31.08.2025	4,000,000
	22.12.2020	0.357	22.12.2020 to 21.12.2030	2,600,000
				41,300,000

*Note 1:* These share options are exercisable, starting from the date of options granted for a period of 10 years.

Save as disclosed above, none of the above share options were exercised since the date of grant.

Other than as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

During the six months ended 30 June 2024, 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 2024.

## **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 2024. 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 2024.

## **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

**Lee Tat Hing**  
*Chairman*

Hong Kong, 28 August 2024