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 2013

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 2013 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 2013

	Notes	**2013** *HK$'000*	2012 *HK$'000*
Turnover	*3*	**995,434**	1,074,970
Cost of sales		**(893,371)**	(934,678)
Gross profit		**102,063**	140,292
Other income		**11,616**	11,614
Other gains and losses	*4*	**(7,577)**	5,805
Selling and distribution costs		**(18,570)**	(18,259)
Administrative expenses		**(110,541)**	(111,506)
Impairment losses recognised on trade receivables		**(4,340)**	(1,410)
Finance costs	*5*	**(10,434)**	(8,959)
(Loss) profit before taxation		**(37,783)**	17,577
Taxation	*6*	**(9,180)**	(6,844)
(Loss) profit for the year	*7*	**(46,963)**	10,733
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation		**33,314**	8,583
Reclassification of cumulative translation reserve upon disposal of a subsidiary to profit or loss		**–**	(30)
		33,314	8,553
Total comprehensive (expense) income for the year		**(13,649)**	19,286

	Notes	**2013** **HK$'000**	2012 *HK$'000*
(Loss) profit for the year attributable to:			
Owners of the Company		**(46,960)**	10,956
Non-controlling interests		**(3)**	(223)
		(46,963)	10,733
Total comprehensive (expense) income for the year attributable to:			
Owners of the Company		**(13,646)**	19,523
Non-controlling interests		**(3)**	(237)
		(13,649)	19,286
(Loss) earnings per share	*8*		
Basic		**(6.94) HK cents**	1.62 HK cents
Diluted		**(6.94) HK cents**	1.61 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	2013 HK$'000	2012 HK$'000
Non-current assets			
Investment properties		**28,930**	26,650
Property, plant and equipment		**675,925**	654,905
Prepaid lease payments		**84,283**	84,558
Deposits paid for acquisition of property, plant and equipment		**31,404**	13,899
Intangible assets		**1,040**	1,442
Long-term prepayment		**21,500**	21,500
		843,082	802,954
Current assets			
Inventories		**263,305**	228,897
Trade and other receivables	*9*	**289,970**	282,445
Taxation recoverable		**43**	559
Pledged bank deposits		**8,297**	29,364
Bank balances and cash		**82,855**	84,705
		644,470	625,970
Current liabilities			
Trade and other payables	*10*	**208,201**	188,436
Amounts due to directors		**21,982**	22,252
Taxation payable		**6,381**	6,319
Bank borrowings – amount due within one year		**227,001**	166,823
		463,565	383,830
Net current assets		**180,905**	242,140
Total assets less current liabilities		**1,023,987**	1,045,094

	Notes	2013 HK$'000	2012 HK$'000
Non-current liabilities			
Bank borrowings – amount due after one year		**15,729**	24,129
Deferred taxation		**4,723**	4,831
Deposit received		**38,363**	37,313
		58,815	66,273
		965,172	978,821
Capital and reserves			
Share capital		**67,642**	67,642
Reserves		**897,548**	911,194
Equity attributable to owners of the Company		**965,190**	978,836
Non-controlling interests		**(18)**	(15)
		965,172	978,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2013

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

2. APPLICATION OF NEW AND REVISED HKFRSs

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2009 – 2011 cycle
Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK (IFRIC) – INT 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated financial statements", HKFRS 11 "Joint arrangements", HKFRS 12 "Disclosure of interests in other entities", HKAS 27 (as revised in 2011) "Separate financial statements" and HKAS 28 (as revised in 2011) "Investments in associates and joint ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The application of these five standards effective for annual period beginning 1 January 2013 will not have significant impact on the results and financial position of the Group as the Group does not have any associates or jointly ventures at 31 December 2013.

HKFRS 13 Fair value measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements. The scope of HKFRS 13 is broad: the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements.

HKFRS 13 requires prospective application. In accordance with the transitional provisions of HKFRS 13, the Group has not made any new disclosures required by HKFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's "statement of comprehensive income" is renamed as the "statement of profit or loss and other comprehensive income". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised HKFRSs in issue but not yet effective

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

Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle[4]
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle[2]
HKFRS 9	Financial instruments[3]
HKFRS 14	Regulatory deferral accounts[5]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
HK(IFRIC) – INT 21	Levies[1]

[1] *Effective for annual periods beginning on or after 1 January 2014, with earlier application permitted.*

[2] *Effective for annual periods beginning on or after 1 July 2014, except as disclosed below. Early application is permitted.*

[3] *Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.*

[4] *Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.*

[5] *Effective for the first annual HKFRS financial statements beginning on or after 1 January 2016.*

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

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. This is also the basis upon which the Group is arranged and organised.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Household products	–	manufacture and distribution of household products
PVC pipes and fittings	–	manufacture and distribution of PVC pipes and fittings
Others	–	investment in properties and food waste recycling business

Segment turnover and results

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

For the year ended 31 December 2013

	Household products *HK$'000*	**PVC pipes and fittings** *HK$'000*	**Others** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Turnover					
Sales of goods					
External sales	**387,263**	**605,955**	**–**	**–**	**993,218**
Inter-segment sales	**548**	**555**	**–**	**(1,103)**	**–**
Rental income	**–**	**–**	**2,216**	**–**	**2,216**
Total	**387,811**	**606,510**	**2,216**	**(1,103)**	**995,434**
Segment (loss) profit	**(23,885)**	**21,779**	**159**	**–**	**(1,947)**
Gain arising from changes in fair value of derivative financial instruments					**2,943**
Interest income					**1,303**
Unallocated corporate expenses					**(29,648)**
Finance costs					**(10,434)**
Loss before taxation					**(37,783)**

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

For the year ended 31 December 2012

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Others *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Turnover					
Sales of goods					
External sales	452,387	621,162	–	–	1,073,549
Inter-segment sales	405	474	–	(879)	–
Rental income	–	–	1,421	–	1,421
Total	452,792	621,636	1,421	(879)	1,074,970
Segment profit	10,265	36,297	3,922	–	50,484
Gain arising from changes in fair value of derivative financial instruments					4,404
Gain on disposal of subsidiary					1,424
Interest income					1,031
Unallocated corporate expenses					(30,807)
Finance costs					(8,959)
Profit before taxation					17,577

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

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment (loss) profit represents the (loss) profit suffered/earned by each segment without allocation of central administration costs, gain arising from changes in fair value of derivative financial instruments, gain on disposal of a subsidiary, interest income and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

At 31 December 2013

	Household products *HK$'000*	**PVC pipes and fittings** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
Assets				
Segment assets	**472,682**	**770,717**	**80,071**	**1,323,470**
Unallocated assets				**164,082**
Consolidated total assets				**1,487,552**
Liabilities				
Segment liabilities	**96,583**	**147,660**	**–**	**244,243**
Unallocated liabilities				**278,137**
Consolidated total liabilities				**522,380**

At 31 December 2012

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Assets				
Segment assets	496,876	715,942	26,650	1,239,468
Unallocated assets				189,456
Consolidated total assets				1,428,924
Liabilities				
Segment liabilities	99,411	122,858	–	222,269
Unallocated liabilities				227,834
Consolidated total liabilities				450,103

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

– all assets are allocated to operating segments other than taxation recoverable, pledged bank deposits, bank balances and cash, loans to non-controlling shareholders of subsidiaries as well as leasehold land and buildings where such buildings are provided to group directors as residential accommodation.

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

Other segment information

For the year ended 31 December 2013

	Household products *HK$'000*	PVC pipes and fittings *HK$'000*	Others *HK$'000*	Segment total *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Amounts included in the measure of segment (loss) profit or segment assets:						
Addition to non-current assets	36,075	30,110	–	66,185	–	66,185
Depreciation	21,189	30,479	–	51,668	1,939	53,607
Amortisation of intangible assets	439	–	–	439	–	439
Amortisation of prepaid lease payments	1,107	1,426	–	2,533	–	2,533
Impairment loss (reversed) recognised on trade receivables	(54)	4,394	–	4,340	–	4,340
Impairment loss recognised on other receivables	385	–	–	385	–	385
Net foreign exchange loss	7,025	685	–	7,710	–	7,710
Loss on disposal of property, plant and equipment	4,604	486	–	5,090	–	5,090
Gain arising from changes in fair value of investment properties	–	–	(2,280)	(2,280)	–	(2,280)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:						
Interest income	(1,089)	(214)	–	(1,303)	–	(1,303)
Interest expenses	6,706	3,728	–	10,434	–	10,434
Income tax expenses	2,250	6,930	–	9,180	–	9,180

For the year ended 31 December 2012

	Household products HK$'000	PVC pipes and fittings HK$'000	Others HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or segment assets:						
Addition to non-current assets	19,652	20,353	–	40,005	–	40,005
Depreciation	22,238	30,582	–	52,820	1,938	54,758
Amortisation of intangible assets	430	–	–	430	–	430
Amortisation of prepaid lease payments	1,091	1,396	–	2,487	–	2,487
Impairment loss recognised on trade receivables	29	1,381	–	1,410	–	1,410
Recovery of other receivables that were previously impaired in prior years	(1,697)	(100)	–	(1,797)	–	(1,797)
Reversal of inventories obsolescence	(270)	(293)	–	(563)	–	(563)
Net foreign exchange loss	9	938	–	947	–	947
Loss on disposal of property, plant and equipment	1,057	579	–	1,636	–	1,636
Gain arising from changes in fair value of investment properties	–	–	(2,560)	(2,560)	–	(2,560)
Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets:						
Interest income	(796)	(235)	–	(1,031)	–	(1,031)
Interest expenses	5,012	3,947	–	8,959	–	8,959
Income tax (credit) expenses	(1,410)	8,254	–	6,844	–	6,844

Geographical information

More than 90% of the sales of the Group's PVC pipes and fittings made to customers were in the PRC. The Group's operations of household products are principally located in United States of America, Asia and Europe.

The Group's revenue from household products from external customers by geographical location of the customers are detailed below:

	Revenue from external customers	
	2013	2012
	HK$'000	*HK$'000*
United States of America	**355,999**	407,779
Asia	**5,511**	11,777
Europe	**2,574**	2,825
Other areas	**23,179**	30,006
Total sales of household products	**387,263**	452,387

More than 90% of the Group's non-current assets are located in the PRC. Accordingly, no non-current assets by geographical location is presented.

Information about major customers

During the year ended 31 December 2013, one customer in household products segment contributed HK$106,739,000 (2012: HK$133,111,000), which is over 10%, of the Group's external revenue.

4. OTHER GAINS AND LOSSES

	2013	2012
	HK$'000	*HK$'000*
Gain arising from changes in fair value of investment properties	**2,280**	2,560
Gain arising from changes in fair value of derivative financial instruments	**2,943**	4,404
Gain on disposal of a subsidiary	**–**	1,424
Loss on disposal of property, plant and equipment	**(5,090)**	(1,636)
Net foreign exchange loss	**(7,710)**	(947)
	(7,577)	5,805

5. FINANCE COSTS

	2013	2012
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**11,731**	8,959
Less: amounts capitalised in the cost of qualifying assets	**(1,297)**	–
	10,434	8,959

6. TAXATION

	2013	2012
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
– charge for the year	**11**	53
– under(over)provision in prior years	**2,464**	(154)
	2,475	(101)
PRC Enterprise Income Tax ("EIT")		
– charge for the year	**6,930**	8,254
	9,405	8,153
Deferred taxation		
– credit for the year	**(225)**	(1,309)
Tax charge	**9,180**	6,844

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the relevant laws and regulations in the PRC, none (2012: four) of the Company's PRC subsidiaries are entitled to a 50% relief on applicable domestic tax rate from PRC EIT for current year up to 31 December 2013 under the EIT Law. For certain of the Company's subsidiaries that have not yet entitled to tax exemption and reduction because no profit is generated since commencement of operations, under the application of the Guofa [2007] No. 39 promulgated by the State Council, the deemed first profit making year would be in 2008 and therefore, the PRC EIT rate on these Company's subsidiaries would be 12.5% for three years from 2010.

The tax charge for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2013	2012
	HK$'000	*HK$'000*
(Loss) profit before taxation	**(37,783)**	17,577
Tax at the domestic income tax rate of 25%	**(9,446)**	4,394
Tax effect of expenses not deductible for tax purpose	**7,421**	3,289
Tax effect of income not taxable for tax purpose	**(2,445)**	(2,793)
Under(over) provision in prior years	**2,464**	(154)
Tax effect of tax losses not recognised as deferred tax asset	**10,127**	1,509
Utilisation of tax losses previously not recognised as deferred tax asset	**(6)**	(1,683)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**1,065**	2,282
Tax charge for the year	**9,180**	6,844

7. (LOSS) PROFIT FOR THE YEAR

	2013 *HK$'000*	2012 *HK$'000*
(Loss) profit for the year has been arrived at after charging:		
Directors' emoluments	**19,674**	22,197
Other staff's salaries and wages	**121,361**	128,594
Other staff's retirement benefit scheme contributions	**8,143**	6,441
Other staff's share-based payments	**–**	3,410
Total staff costs	**149,178**	160,642
Amortisation of intangible assets (included in cost of sales)	**439**	430
Amortisation of prepaid lease payments	**2,533**	2,487
Auditors' remuneration	**2,500**	2,460
Cost of inventories recognised as an expense	**893,371**	935,241
Depreciation of property, plant and equipment	**53,607**	54,758
Impairment loss recognised on trade receivables	**4,340**	1,410
Impairment loss recognised on other receivables	**385**	–
Operating lease rentals in respect of rented premises	**2,260**	120
and after crediting:		
Gross rental income from investment properties	**2,216**	1,421
Less: Direct operating expenses that generated rental income	**(117)**	(59)
	2,099	1,362
Government grants *(note a)*	**1,018**	992
Bank interest income	**1,303**	943
Other interest income	**–**	88
Reversal of allowance for inventories obsolescence *(note b)*	**–**	563
Recovery of other receivables that were previously impaired in prior years *(note c)*	**–**	1,797

Notes:

a. The amounts mainly represent the incentives granted by the relevant PRC government authorities to the Group for recognition of establishment of the environmental reborn resources and recycling business in Zhongshan City and the establishment of environmental friendly manufacturing factories by making use of public electricity instead of self-generated electricity during the manufacturing process.

b. Reversal of allowance for inventories obsolescence had been recognised in 2012 due to realisation and subsequent usage of the relevant inventories and such amount had been included in cost of sales in the consolidated statement of profit or loss and other comprehensive income.

c. Reversal of impairment loss on other receivables had been recognised in 2012 due to recovery and subsequent receipt of the relevant other receivables.

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:

	2013	2012
	HK$'000	*HK$'000*
(Loss) profit for the purposes of calculating basic and diluted (loss) earnings per share ((loss) profit for the year attributable to owners of the Company)	**(46,960)**	10,956

	2013	2012
Number of shares		
Number of ordinary shares for the purpose of basic (loss) earnings per share	**676,417,401**	676,417,401
Effect of dilutive potential ordinary shares relating to outstanding share options issued by the Company to directors of the Company and employees of the Group	**–**	4,065,239
Weighted average number of ordinary shares for the purpose of dilutive (loss) earnings per share	**676,417,401**	680,482,640

The diluted loss per share for the year ended 31 December 2013 has not been taken into account the effect of outstanding share options as their exercise would result in a decrease in loss per share.

9. TRADE AND OTHER RECEIVABLES

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

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**87,698**	88,027
31 – 60 days	**59,164**	55,368
61 – 90 days	**35,739**	33,512
91 – 180 days	**34,676**	33,454
Over 180 days	**32,040**	27,630
Trade receivables, net of allowance for doubtful debts	**249,317**	237,991
Prepayment for raw materials, deposit and other receivables	**38,100**	37,795
Prepaid lease payments	**2,553**	2,487
Loans to a third party	**–**	4,172
Total trade and other receivables	**289,970**	282,445

The Group allows an average credit periods of 180 days, depending on the products sold, to its trade customers. Trade and other receivables are unsecured and interest-free.

Before accepting any new customers, the Group will internally assess the potential customers' credit quality and defines appropriate credit limits by customer. The management closely monitors the credit quality and follow-up action is taken if overdue debts are noted. Limits attributed to customers are reviewed every year. All of the trade receivables that are neither past due nor impaired are considered to be of good credit quality with satisfactory settlement history.

The Group's trade receivables which are denominated in currencies other than the functional currencies of the relevant group companies are set out below:

	2013	2012
	HK$'000	*HK$'000*
USD	**45,906**	51,066

Included in the Group's trade receivable balances are debtors with aggregate carrying amount of HK$112,001,000 (2012: HK$96,365,000) which are past due at the reporting date for which the Group had not provided for impairment loss as these receivables are either subsequently settled or due from certain major customers with no history of default and have strong financial background and good creditability. The Group does not hold any collateral over these balances.

Aging of trade receivables based on the invoice date which are past due but not impaired

	2013	2012
	HK$'000	*HK$'000*
31 – 60 days	**15,415**	8,812
61 – 90 days	**29,870**	26,737
91 – 180 days	**34,676**	33,186
Over 180 days	**32,040**	27,630
	112,001	96,365

Based on the payment pattern of the customers of the Group, trade receivables which are past due but not impaired are generally collectable. Allowance on doubtful debts recognised for 2012 and 2013 are based on estimated irrecoverable amounts by reference to financial background, creditability of individual customers, past default experience, subsequent settlement and payment history of the customers. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such receivables are generally not recoverable, or individual trade receivables which has either been placed under liquidation or in severe financial difficulties.

Movement in the allowance for doubtful debts

	2013	2012
	HK$'000	*HK$'000*
1 January	**56,278**	54,462
Currency realignment	**1,611**	406
Impairment losses recognised on trade receivables	**4,340**	1,410
31 December	**62,229**	56,278

During the year ended 31 December 2012, the Group lost control over South China Reborn Cotton Yarn (Wuzhou) Company Limited ("South China Reborn (Wuzhou)"). As at 31 December 2012, the outstanding loans due from South China Reborn (Wuzhou) were RMB3,354,000 (equivalent to HK$4,172,000). The loans were fully settled during the year ended 31 December 2013. As at 31 December 2012, the amounts were unsecured, interest bearing at prevailing market borrowing rates and repayable within one year. The amounts which were denominated in currencies other than the functional currencies of the relevant group companies were set out below:

	2013	2012
	HK$'000	*HK$'000*
Renminbi ("RMB")	**–**	1,359

10. TRADE AND OTHER PAYABLES

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

	2013	2012
	HK$'000	*HK$'000*
0 – 30 days	**60,403**	43,721
31 – 60 days	**50,270**	40,401
61 – 90 days	**19,259**	12,253
Over 90 days	**18,061**	20,217
Total trade payables	**147,993**	116,592
Other payables	**60,208**	71,844
Total trade and other payables	**208,201**	188,436

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

	2013	2012
	HK$'000	*HK$'000*
Accrued expenses	**7,741**	8,280
Receipt in advance	**30,857**	40,765
Wages and bonus payable	**12,142**	12,553
Payable on acquisition of property, plant and equipment	**477**	464
Payable on acquisition of land use rights	**2,114**	2,133
Value-added tax payables	**309**	1,454
Property tax and other tax payables	**3,591**	3,265
Others	**2,977**	2,930
	60,208	71,844

The average credit period on purchases of goods is 90 days.

Included in trade and other payables are the following amounts denominated in currencies other than the functional currencies of the relevant group companies:

	2013	2012
	HK$'000	*HK$'000*
USD	**29,586**	24,355

FINAL DIVIDEND

The directors resolved not to recommend the payment of final dividend for the year ended 31 December 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

- The Group recorded a turnover of HK$995,434,000 for the year ended 31 December 2013, representing a decrease of 7.4% as compared to the same period last year.

- Gross profit and gross profit margin of the Group recorded were HK$102,063,000 and 10.3%, representing a decrease of HK$38,229,000 and a decrease of 27.2% respectively as compared to the same period last year.

- Loss for the year was HK$46,963,000, as compared to a profit of HK$10,733,000 for the same period last year.

- Basic loss per share was 6.94 HK cents, as compared to profit per share of 1.62 HK cents for the same period last year.

BUSINESS REVIEW

For the year ended 31 December 2013, the Group recorded a consolidated turnover of HK$995,434,000, representing a decrease of 7.4 % from HK$1,074,970,000 last year. Gross profit and gross profit margin were HK$102,063,000 and 10.3% respectively. Loss for the year was HK$46,963,000.

2013 was a challenging year. The continuous change of the economic/political environment and policies in the People Republic of China (PRC), the immense increase of the raw material and production costs caused by the continuous inflation coupled with the increase of labour cost had all caused uncertainties in the business environment of the PRC manufacturing industry which affected the manufacturing business of the Group.

For household products, faced with immense increase of the operating cost and decreased demand from overseas market due to the unsteady US economy, our export business had been adversely affected. Although the business turnover rebounded in the second half of 2013, the overall business turnover in the whole year still decreased and the Group recorded deficit in the whole year.

For the PVC pipes and fittings, faced with severe competition of the pipe industry in the PRC, the business turnover and profit slightly dropped but the situation was not serious and the business remained profitable.

During the year under review, the turnover of property investment amounted to HK$2,216,000 representing an increase of 56% from HK$1,421,000 of the same period last year. Gain arising from fair value changes of investment properties was HK$2,280,000.

PROSPECTS

Looking forward to 2014, as the uncertainties of the PRC manufacturing industry still persist, it is expected that the business environment continues to be challenging. The Group will strive to maintain a healthy development in the household products and PVC pipes and fittings business, to control the manufacturing/operating costs and other expenses, to strengthen the link with existing clients, and to positively expand sales markets to prepare for business opportunities generated from the recovery of the global markets.

For environmental recycling and reborn resources business, 2014 will be an extremely important year. The production line situated at Ecopark Phase 2, Tuen Mun, Hong Kong for the development of food waste recycling projects run by the Group's wholly owned subsidiary – South China Reborn Resources (Zhongshan) Company Limited, is expected to commence operation in the middle of 2014. The Group has full confidence in the prospect of the development of food waste recycling business in Hong Kong, and expects that the business will broaden the income sources and bring good return to 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 2013, the Group had bank balances and cash and pledged bank deposits of approximately HK$91,152,000 (31.12.2012: HK$114,069,000) and had interest-bearing bank borrowings of approximately HK$242,730,000 (31.12.2012: HK$190,952,000). The Group's interest-bearing bank borrowings was mainly computed at Hong Kong Inter-Bank Offering Rate plus a margin. The Group's total banking facilities available as at 31 December 2013 amounted to HK$455,956,000; of which HK$242,730,000 of the banking facilities was utilised (utilisation rate was at 53.2%).

The Group continued to conduct its business transactions principally in Hong Kong dollars, US dollars and Renminbi. The Group's exposure to the foreign exchange fluctuations has not experienced any material difficulties in the operations or liquidity as a result of fluctuations in currency exchange.

At 31 December 2013, the Group had current assets of approximately HK$644,470,000 (31.12.2012: HK$625,970,000). The Group's current ratio was approximately 1.4 as at 31 December 2013 as compared with approximately 1.6 as at 31 December 2012. Total shareholders' funds of the Group as at 31 December 2013 decrease by 1.39% to HK$965,172,000 (31.12.2012: HK$978,821,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 31 December 2013 was 0.54 (31.12.2012: 0.46).

CHARGES ON ASSETS

Certain leasehold land and buildings, investment properties, prepaid lease payments and bank deposits with an aggregate net book value of HK$181,320,000 (31.12.2012: HK$177,662,000) were pledged to banks for general banking facilities granted to the Group.

STAFF AND EMPLOYMENT

At 31 December 2013, the Group employed a total workforce of about 2,021 (31.12.2012: 2,299) including 1,976 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK$129,504,000 (31.12.2012: HK$138,445,000). It is the Group's policy to review its employee's pay levels and performance bonus system regularly to ensure that the remuneration policy is competitive within the relevant industries. It is the Group's policy to encourage its subsidiaries to send the management and staff to attend training classes or seminars that related to the Group's business. Tailor made internal training program was also provided to staff in our PRC factories.

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

During the year ended 31 December 2013, 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 23 June 2014 to 26 June 2014 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 26 June 2014, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, at Tricor Secretaries Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 20 June 2014.

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 2013.

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 2013 as set out in the Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2013.

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.

PUBLICATION OF ANNUAL REPORT

The 2013 Annual Report of the Company containing all the information as required by Appendix 16 of the Listing Rules will be published on the Company's website at www.worldhse.com and the website of Hong Kong Exchange and Clearing Limited, while printed copies will be sent to shareholders of the Company as soon as practicable.

By Order of the Board
Lee Tat Hing
Chairman

Hong Kong, 19 March 2014

As at the date of this announcement, the executive directors of the Company are Mr. Lee Tat Hing, Madam Fung Mei Po, Mr. Lee Chun Sing, Mr. Lee Pak Tung, Madam Chan Lai Kuen Anita and Mr. Lee Kwok Sing Stanley; the non-executive director of the Company is Mr. Cheung Tze Man Edward and Mr. Wong Woon Chung Jonathan; the independent non-executive directors of the Company are Mr. Tsui Chi Him Steve, Mr. Ho Tak Kay, Mr. Hui Chi Kuen Thomas and Mr. Shang Sze Ming.