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世 界（集 團）有 限 公 司

WORLD HOUSEWARE (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 713)

ANNOUNCEMENT OF INTERIM RESULTS 2015

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 2015 together with the comparative figures for the corresponding period in 2014:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	**1.1.2015 to 30.6.2015 *HK$'000* (unaudited)**	1.1.2014 to 30.6.2014 *HK$'000* (unaudited)
Turnover	*3*	**440,663**	455,352
Cost of sales		**(381,610)**	(409,752)
Gross profit		**59,053**	45,600
Other income		**6,110**	4,182
Other gains and losses	*4*	**1,191**	7,486
Selling and distribution costs		**(13,226)**	(9,370)
Administrative expenses		**(61,356)**	(56,319)
Finance costs	*5*	**(7,372)**	(5,906)
Loss before taxation		**(15,600)**	(14,327)
Taxation	*6*	**(5,189)**	(2,976)
Loss for the period	*7*	**(20,789)**	(17,303)

	Notes	1.1.2015 to 30.6.2015 HK$'000 (unaudited)	1.1.2014 to 30.6.2014 HK$'000 (unaudited)
Other comprehensive income (expense):			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operations		**1,327**	(29,832)
Total comprehensive expense for the period		**(19,462)**	(47,135)
Loss for the period attributable to:			
Owners of the Company		**(20,789)**	(17,301)
Non-controlling interests		**–**	(2)
		(20,789)	(17,303)
Total comprehensive expense for the period attributable to:			
Owners of the Company		**(19,462)**	(47,133)
Non-controlling interests		**–**	(2)
		(19,462)	(47,135)
Loss per share			
Basic and diluted	*9*	**HK(3.05) cents**	HK(2.56) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30.6.2015 HK$'000 (unaudited)	31.12.2014 HK$'000 (audited)
Non-current assets			
Investment properties		**31,540**	30,130
Property, plant and equipment		**747,180**	747,490
Prepaid lease payments		**78,627**	79,779
Deposits paid for acquisition of property, plant and equipment		**5,170**	8,337
Deposit and prepayments for a life insurance policy		**50,882**	51,098
Intangible assets		**368**	583
Long-term prepayment		**21,500**	21,500
		935,267	938,917
Current assets			
Inventories		**201,550**	216,386
Trade and other receivables	*10*	**325,206**	294,458
Taxation recoverable		**541**	541
Pledged bank deposits		**32,725**	8,489
Bank balances and cash		**49,944**	48,656
		609,966	568,530
Current liabilities			
Trade and other payables	*11*	**218,423**	212,858
Amounts due to directors		**34,192**	36,827
Taxation payable		**4,395**	6,760
Bank borrowings		**362,715**	322,186
		619,725	578,631
Net current liabilities		**(9,759)**	(10,101)
Total assets less current liabilities		**925,508**	928,816

	Note	**30.6.2015**	31.12.2014
		HK$'000	*HK$'000*
		(unaudited)	(audited)
Non-current liabilities			
Deferred taxation		**4,981**	4,693
Deposit received		**37,453**	37,406
		42,434	42,099
Net assets		**883,074**	886,717
Capital and reserves			
Share capital	*12*	**73,542**	67,642
Reserves		**809,532**	819,097
Equity attributable to owners of the Company		**883,074**	886,739
Non-controlling interests		**–**	(22)
Total equity		**883,074**	886,717

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with HKAS 34 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.

As at 30 June 2015, the Group had net current liabilities of HK$9,759,000 (31 December 2014 HK$10,101,000) which included borrowings due within one year of HK$362,715,000 (31 December 2014: HK$322,186,000). The directors believe the existing revolving bank borrowings of HK$208,127,000 (31 December 2014: HK$204,732,000) included in the current liabilities at the end of the reporting period could be successfully renewed on maturity date. The directors also do not consider that it is probable that the banks will exercise their discretion to demand immediate repayment for the term loans of HK$113,183,000 (31 December 2014: HK$117,454,000) which are subject to repayable on demand clause but not repayable within one year based on the agreed scheduled repayments set out in the loan agreements. In addition, the Group had available unutilised borrowing facilities of HK$356,561,000 (31 December 2014: HK$326,599,000) as at 30 June 2015 which will be subject to review in years of 2015 and 2016. The directors are of the opinion that the Group has a good track record and relationship with banks which enhance the Group's ability to renew the borrowing facilities upon expiry.

Taking into account of the presently available banking facilities and internally generated funds of the Group, the directors of the Company are of the view that the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period and accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment properties, which are measured at fair value.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group's operating and reportable 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
Food waste recycling	–	food waste recycling business
Others	–	investment in properties

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

Six months ended 30 June 2015 (unaudited)

	Household products *HK$'000*	**PVC pipes and fittings** *HK$'000*	**Food waste recycling** *HK$'000*	**Others** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
Turnover						
Sales of goods						
External sales	**157,432**	**279,671**	**2,210**	**–**	**–**	**439,313**
Inter-segment sales	**202**	**354**	**–**	**–**	**(556)**	**–**
Rental income	**–**	**–**	**–**	**1,350**	**–**	**1,350**
Total segment revenue	**157,634**	**280,025**	**2,210**	**1,350**	**(556)**	**440,663**
Segment (loss) profit	**(6,774)**	**13,616**	**(6,619)**	**2,307**	**–**	**2,530**
Imputed interest income from deposit placed for a life insurance policy						**528**
Interest income						**82**
Premium charges on a life insurance policy						**(735)**
Unallocated corporate expenses						**(10,633)**
Finance costs						**(7,372)**
Loss before taxation						**(15,600)**

Inter-segment sales are charged at cost plus certain markup.

Six months ended 30 June 2014 (unaudited)

	Household products	PVC pipes and fittings	Food waste recycling	Others	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover						
Sales of goods						
External sales	167,444	286,757	–	–	–	454,201
Inter-segment sales	185	62	–	–	(247)	–
Rental income	–	–	–	1,151	–	1,151
Total segment revenue	167,629	286,819	–	1,151	(247)	455,352
Segment (loss) profit	(6,439)	10,216	(2,934)	1,611	–	2,454
Interest income						140
Unallocated corporate expenses						(11,015)
Finance costs						(5,906)
Loss before taxation						(14,327)

Inter-segment sales are charged at cost plus certain markup.

Segment (loss) profit represents the (loss) incurred/profit earned by each segment without allocation of certain administration costs, imputed interest income from deposit placed for a life insurance policy, interest income, premium charges on a life insurance policy and finance costs. 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

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gain arising from changes in fair value of investment properties	**1,410**	480
Loss on disposal of property, plant and equipment	**(104)**	(260)
Net foreign exchange (loss) gain	**(115)**	7,266
	1,191	7,486

5. FINANCE COSTS

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings		
– wholly repayable within five years	**7,177**	6,897
– not wholly repayable within five years	**310**	–
Interest on amount due to a director	**492**	–
	7,979	6,897
Less: amounts capitalised in the cost of qualifying assets	**(607)**	(991)
	7,372	5,906

6. TAXATION

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax:		
PRC Enterprise Income Tax ("EIT")	**4,906**	3,132
Overprovision of Hong Kong Profits Tax in prior year	**–**	(192)
	4,906	2,940
Deferred taxation charge	**283**	36
Taxation charge for the period	**5,189**	2,976

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

PRC EIT is calculated at the applicable rate of 25% in accordance with the relevant laws and regulations in the PRC.

Under the EIT Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the condensed consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to HK$131,881,000 (for six months ended 30 June 2014: HK$105,362,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

7. LOSS FOR THE PERIOD

	1.1.2015 to 30.6.2015	1.1.2014 to 30.6.2014
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Loss for the period has been arrived at after charging:		
Amortisation of intangible assets (included in cost of sales)	**217**	281
Amortisation of prepaid lease payments	**1,252**	1,267
Depreciation of property, plant and equipment	**30,150**	25,942
Impairment loss recognised on trade receivables	**4,962**	1,145
and after crediting:		
Gross rental income from investment properties	**1,350**	1,151
Less: Direct operating expenses that generated rental income	**(41)**	(31)
	1,309	1,120
Bank interest income	**82**	140
Imputed interest income from a deposit placed for a life insurance policy	**528**	–

8. DIVIDENDS

No final dividends in respect of the years ended 31 December 2014 and 31 December 2013 were paid, declared or proposed during the current or prior interim period. The directors have determined that no dividend will be paid in respect of the current interim period (for six months ended 30 June 2014: nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30 June 2015 is based on the loss for the period attributable to owners of the Company of HK$20,789,000 (for six months ended 30 June 2014: HK$17,301,000) and on 680,461,600 (for six months ended 30 June 2014: 676,417,401) ordinary shares for the purpose of loss per share during the period.

The diluted loss per share for the period ended 30 June 2015 and 30 June 2014 has not been taken into account the effect of outstanding share options as their exercise would result in a decrease in loss per share.

10. TRADE AND OTHER RECEIVABLES

The Group allows credit periods ranging from 30 days to 180 days, depending on the products sold, to its trade customers.

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

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**84,731**	87,499
31 – 60 days	**50,938**	51,371
61 – 90 days	**37,629**	35,552
91 – 180 days	**39,215**	54,374
Over 180 days	**77,792**	39,961
Trade receivables, net of allowance of doubtful debts	**290,305**	268,757
Prepayments for raw materials, deposits and other receivables	**30,925**	21,736
Prepaid lease payments	**2,495**	2,493
Deposit and prepayments for a life insurance policy	**1,481**	1,472
Total trade and other receivables	**325,206**	294,458

11. 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:

	30.6.2015	31.12.2014
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0 – 30 days	**49,371**	40,639
31 – 60 days	**27,828**	23,977
61 – 90 days	**19,606**	26,679
Over 90 days	**36,960**	53,628
Total trade payables	**133,765**	144,923
Other payables	**84,658**	67,935
Total trade and other payables	**218,423**	212,858

12. SHARE CAPITAL

The movement of share capital of the Company are as follows:

	Number of shares	**Amount**
		HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
At 1 January 2014, 30 June 2014, 1 January 2015 and 30 June 2015	1,500,000,000	150,000
Issued and fully paid:		
At 1 January 2014, 30 June 2014 and 1 January 2015	676,417,401	67,642
Exercise of share options *(note)*	59,000,000	5,900
At 30 June 2015	735,417,401	73,542

Note: During the period ended 30 June 2015, 33,500,000 shares of HK$0.1 each were issued at HK$0.237 per share upon exercise of the share options granted on 24 October 2011 and 25,500,000 shares of HK$0.1 each were issued at HK$0.309 per share upon exercise of the share options granted on 12 November 2012 under the share option scheme of the Company adopted on 10 June 2011 by share option holders 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 2015. 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$440,663,000 for the six months ended 30 June 2015, representing a decrease of 3.2% or HK$14,689,000 as compared to HK$455,352,000 of the same period last year.

- Gross profit of the Group was HK$59,053,000, representing an increase of 29.5% or HK$13,453,000 as compared to HK$45,600,000 of the same period last year. The gross profit margin was 13.4%, representing an increase of 3.4% as compared to 10% of the same period last year.

- Loss attributable to the owners of the Company for the period was HK$20,789,000, as compared to a loss of HK$17,303,000 for the same period last year.

- Basic loss per share was HK3.05 cents, as compared to basic loss per share of HK2.56 cents of the same period last year.

- The Board does not propose any payment of interim dividends for the six months ended 30 June 2015.

BUSINESS REVIEW

During the period under review, the Group's business still faced with difficulties and challenges.

For household products business, the world market is still very fragile. Though the Group had tried very hard to control the production cost, deficit was still recorded during the period.

For PVC pipes manufacturing business, though the competition was very keen, the Group had strived very hard to operate the business and profit was recorded.

For the feed production from food waste recycling business, the processing centre at Ecopark, Tuen Mun, New Territories, Hong Kong had commenced business during the period under review. The Group had followed the designated strategy and strived to increase the amount of food waste recycling. The qualities of the conversion of food waste to feed products are to be fine-tuned so as to reach the optimal standard. The Group would strive to enhance the quality of the products, so that the sale would reach the acceptable level. The business is progressing very well and will generate good profit for the Group.

During the period under review, the gain arising from changes in fair value of investment property was HK$1,410,000.

PROSPECTS

For our Group's traditional business of household products and PVC pipe manufacturing, though the market environment is still fragile and the competition is very keen, given its goodwill, and steady customers, the Group will continue to strengthen the cost management and to explore more marketing channels so as to positively maintain the steady development of these businesses.

Our Group understands that there is huge room for the development of environment business. Following the recognition of the importance of environmental knowledge of the Hong Kong SAR Government, environmental groups, industrial and business organizations and the general public, it is believed that our Group's food waste recycling to feed business will be expanding quickly. Other than the recent food waste recycling business, the Group will consider to develop other related environmental resources business in appropriate time so as to develop a bright future and to generate good profit.

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 2015, the Group had bank balances and cash and pledged bank deposits of approximately HK$82,669,000 (31.12.2014: HK$57,145,000) and had interest-bearing bank borrowings of approximately HK$362,715,000 (31.12.2014: HK322,186,000). 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 2015 amounted to HK$719,276,000; of which HK$362,715,000 of the banking facilities was utilised (utilisation rate was at 50.4%).

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 2015, the Group had current assets of approximately HK$609,966,000 (31.12.2014: HK$568,530,000). The Group's current ratio was approximately 0.98 as at 30 June 2015 as compared with approximately 0.98 as at 31 December 2014. Total shareholders' funds of the Group as at 30 June 2015 decreased by 0.4% to HK$883,074,000 (31.12.2014: HK$886,717,000). The gearing ratio (measured as total liabilities/total shareholders' funds) of the Group as at 30 June 2015 was 0.75 (31.12.2014: 0.70).

CHARGES ON ASSETS

Certain leasehold land and buildings, investment properties, prepaid lease payments and bank deposits with an aggregate net book value of HK$334,118,000 (31.12.2014: HK$309,735,000) were pledged to banks for general banking facilities granted to the Group.

STAFF AND EMPLOYMENT

At 30 June 2015, the Group employed a total workforce of about 1,872 (30.6.2014: 2,045) including 1,818 staff in our factories located in the PRC. The total staff remuneration incurred during the period was HK$63,330,000 (30.6.2014: HK$60,617,000). 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 programs 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 2015, there were no purchases, sales or redemption by the Company, or any of its subsidiaries, of the Company's listed securities.

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 2015. 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 2015.

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, except for one director forgot to first notify in writing the chairman or director designated by the board and receive a dated written acknowledgement before the dealings of shares of the Company during the six months ended 30 June 2015, that was not complied with Rule B.8 of the Model Code. The director had been reminded that all the directors shall comply to the best of their ability with the Listing rules from time to time in force and must understand the obligation and be familiar with the Listing Rule requirements.

PUBLICATION OF INTERIM REPORT

The 2015 Interim 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 Exchanges 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, 20 August 2015

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 are 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. Hui Chi Kuen Thomas, Mr. Ho Tak Kay and Mr. Shang Sze Ming.