

RESULTS

The Board of Directors (the "Board") of World Houseware (Holdings) Limited ("Company") is pleased to announce the audited results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2001 as follows:

2001 was one of the most difficult years for the Group in recent history. The Group recorded a turnover of HK\$650,583,000 for the year ended 31 December 2001, which represented a decrease of about 7% when compared with last year. On the other hand, profit attributable to Shareholders was increased by about 101% during the year 2001. The improvement of profit attributable to shareholders was a result of implementation of a cost controlling and operation restructuring plan by the Group during the year 2001.

The Board of Directors proposed a final dividend of HK\$0.5 cent per share.

BUSINESS REVIEW

There was a slight drop in turnover during the year 2001 when compared with last year. It was mainly due to the reduction of export sales of our fabric and PVC household products after the tragedy happened on 9.11 in the United States of America. The tragedy detrimentally affected economic performance and consumer confidence globally. The turnover of our PVC and fabric household products during the year 2001 decreased considerably. We recorded a turnover of household products of HK\$466,438,000 in 2001 and HK\$539,314,000 in 2000, the figure in 2001 represented a decrease of about 13.5% when compared with last year.

After the People's Republic of China (the "PRC") was acceded into the World Trade Organization ("WTO") by the year-end of 2001, there was a sustained and rapid growth in demand of building materials for construction of roads, accommodations, and transportation related facilities in the PRC. This is expected to bring substantial business opportunities for our building materials products in the PRC that are manufactured by Nam Sok Building Material & Plastic Products (Shenzhen) Co., Ltd.. In order to increase the production capacity to cope with the rising market demand, the Group further increased its investment in purchasing of production plant and machinery during the year 2001. Moreover, Nam Sok Building Material & Plastic Products (Shenzhen) Co., Ltd. began to authorize part of its business in trading of building material products, under its "CROWN" brand, "GOLDEN CROWN" brand, "WW" brand, "Nam Sok" brand, etc, to various independent domestic distributors in the PRC. This arrangement further enhanced our competitive edge over competitors and expanded our market share effectively.

During the year 2001, the Group recorded a turnover of PVC pipes and fittings amounted to HK\$179,840,000 in 2001 and HK\$152,103,000 in 2000, the figure in 2001 represented an increase of about 18% when compared with the previous year.

During the year under review, the Board has reviewed and changed its corporate strategy to cope with the changing environment. With the cooperation of the top management and staff, the Board has effectively controlled the costs of production as well as the finance costs during the year, and the profit margin has been improved accordingly.

PROSPECTS

After the PRC was successfully acceded into WTO, U.S.A. will uplift the quota restrictions of fabric products imported from the PRC progressively within the next five years. This change will benefit significantly the export sales of our fabric household products to the U. S. A. market.

Furthermore, the increasing demand of building materials for construction of roads, accommodations, and transportation related facilities in the PRC would bring us many business opportunities for our building material products.

In conjunction with the coming global economic recovery, the Group entered into agreements to purchase industrial land for HK\$5.7 million with an area of 113,000 square meters located at Wang Zhuang Zhen of Chang Shou City in Jiang Su Province in December 2001. A total of HK\$80 million is expected to be invested on this site over the next 3 years. In order to enhance our capacity of production of fabric products, about half of the area of the said land will be used to build a modern factory, with a high degree of vertical integration and stringent quality control. This factory will also be equipped with high technological fabric and towel wearing looms machinery and dyeing machinery. This will enable the Group to take advantage of the uplift of quota restrictions in the coming years to expand our market shares in the U. S. A. and western European countries. The remaining half of the land will be used to build another factory for the production of uPVC pipes and other building material products. This factory will mainly provide its products to the customers in the Huadong and Huachung regions of PRC directly, and is expected to improve our gross profit by saving of transportation costs and time, and other operational costs. The original factory located in Shenzhen will mainly supply its products to the Huanan region of the PRC.

China's accession to the WTO will lead to the opening of the mainland market to investors from all around the world. In order to improve the rate of return and to get rid of the high agency commission, investors are changing their purchasing strategy to buy directly from the manufacturers in the PRC. Many notable international department stores, chain stores and importers will establish their purchasing offices in the main provinces and cities in the PRC, for instance, Shenzhen, Guangzhou, Shanghai, Jiang Su, Zhe Jinag , Nanjing and Beijing, etc. Accordingly, we have set up our own representative offices in Shenzhen, Jiang Su, and Shanghai during the year 2001. These representative offices can provide our customers prompt response for quotation, sampling and after sale services. Subject to any unpredictable global adverse factors, the Board expects a bright business future in the coming year.