



世界（集團）有限公司  
**WORLD HOUSEWARE (HOLDINGS) LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 713)**

**DELAY IN PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT AND  
PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2006**

Reference is made to the announcement dated 14th September, 2006 (the "Announcement") issued by the Company in connection with the delay in publication of interim results and interim report. Terms defined in the Announcement shall have the same meaning when used herein unless the context otherwise requires.

It was referred to in the Announcement that a senior cashier of one of the Company's subsidiaries in the PRC had embezzled some of the subsidiary's funds. The Company had engaged a forensic accountant and the incident had been investigated. On the basis of such investigations, the Company has estimated that the loss arising from the embezzlement amounted to approximately HK\$24,284,000 (subject to any adjustments to be made in the audit for the full year ending 31st December, 2006). Accordingly, the Group has recognised the loss arising from the embezzlement amounting to approximately HK\$24,284,000 in the condensed consolidated income statement for the six months ended 30th June, 2006. As the investigation is still on-going, the Directors expect the financial impact of the embezzlement to be reflected in the Group's audited consolidated financial statements for the year ending 31st December, 2006.

The embezzlement has adversely affected the Company's interim results for the six months ended 30th June, 2006 and is expected to adversely affect the Company's consolidated financial statements for the year ending on 31st December, 2006. As such, the Company is likely to incur a loss for this financial year.

**Investors are advised to exercise caution when dealing in the shares of the Company.**

During the period ended 30th June, 2006, in respect of bank loans with carrying amounts of HK\$160,411,000 as at 30th June, 2006, the Group breached certain of the terms of bank loans, which are primarily related to the debt service cover and the interest coverage ratio of the Group. According to applicable Hong Kong accounting standards, since the banks have not agreed to waive their rights to demand immediate repayment as at the balance sheet date, the non-current portion of the bank loans amounted to HK\$56,770,000 have been classified as current liabilities in the condensed consolidated balance sheet as at 30th June, 2006. The Group has subsequently obtained written consents from the banks to waive their rights to demand immediate repayment.

Based on the investigations so far conducted, the Board is also of the opinion that the incident is an isolated incident and has not resulted in any material disruption to the operations of the subsidiary or the Group as a whole. The Directors will continue to review and improve its internal control procedures with the view to minimizing any similar risk in the future.

The Board further announces that the Company's publication of its unaudited interim results will be made on 14th December, 2006 and the interim report will be despatched on 21st December, 2006.

**Suspension of trading**

There has been a suspension in the trading of the shares of the Company since 6th September, 2006 and this will continue until further notice.

By Order of the Board  
**Lee Tat Hing**  
Chairman

Hong Kong, 11th December, 2006

*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, Madam Lai Lai Wah, Mr. Lee Pak Tung, Mr. Kwong Bau To, Mr. Choi Kwok Keung Sanvic and Madam Chan Lai Kuen Anita; the non-executive director of the Company is Mr. Cheung Tze Man Edward; the independent non-executive directors of the Company are Mr. Hui Chi Kuen Thomas, Mr. Ho Tak Kay and Mr. Tang King Hung.*